No. 88-2082

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1988

CHARLES R. CHRISTIANSON and INTERNATIONAL TRADE SERVICES, INC.,

Petitioners,

vs.

COLT INDUSTRIES OPERATING CORP.,

Respondent.

APPENDIX TO THE PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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APPENDIX TO THE PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

APPENDIX A

IN THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT

No. 88-2492

CHARLES R. CHRISTIANSON and
INTERNATIONAL TRADE SERVICES INC.,

Plaintiffs-Appellees,

v.

COLT INDUSTRIES OPERATING CORP.,

Defendant-Appellant.

Appeal from the United States District Court
for the Central District of Illinois, Rock Island Division.
Nos. 83-4072 and 84-4056—**Robert D. Morgan**, *Judge.*

ARGUED NOVEMBER 28, 1988—DECIDED MARCH 22, 1989

Before CUMMINGS and FLAUM, *Circuit Judges* and FAIRCHILD, *Senior Circuit Judge.*

FLAUM, *Circuit Judge.* Charles Christianson and his company, International Trade Services (together hereinafter referred to as "Christianson"), filed a two-count complaint against Colt Industries Operating Corp. ("Colt") alleging, in Count I, that Colt had illegally monopolized the market in M-16 parts and had successfully organized a group boycott of Christianson, an M-16 parts supplier, in violation of Sections 1 and 2 of the Sherman Act and Sections 4 and 16 of the Clayton Act. Count II alleged that Colt

had tortiously interfered, under Illinois law, with Christianson's business opportunities.

Colt has defended the suit by claiming that any actions it took were justified by its interest in not divulging the information which would permit the parts to be used commercially in connection with the M-16, information which it claims was subject to state trade secret law protection. Colt also counterclaimed against Christianson, who was a former Colt employee, alleging breach of contract and a variety of other state and federal law trade violations based on Colt's proprietary interests in the parts. Christianson countered Colt's defense, and its counterclaims, by alleging that Colt no longer had any proprietary interest in the parts at issue since the patents on the parts had expired and Colt had no protectible trade secrets in the parts. According to Christianson, Colt could not claim any trade secret protection relating to the parts because the information Colt claimed to be subject to trade secret protection should have been included in Colt's patent disclosures for the parts. Specifically, Christianson alleged that Colt should have included the specifications and tolerances that would permit those parts to be interchangeable with all of the other M-16s ever produced.[1] Alternatively, Christianson's complaint alleges that Colt lost its proprietary interests in the parts when it granted Christianson permission to sell the parts in 1976.

Both sides filed motions for partial summary judgment. Christianson moved for a declaration that Colt's trade secrets were invalid because those secrets—the specifica-

[1] Interchangeability refers to the ability to use a part in every M-16 currently in existence. Interchangeability is a requirement for all M-16 parts because it often becomes necessary on the battlefield to use parts from one rifle to repair another rifle. To achieve interchangeability, the parts must all be manufactured with dimensions falling within specified tolerances. If the tolerances are exceeded, the part will not be interchangeable with M-16 rifles already in existence. Thus, to successfully manufacture a marketable replacement part for the M-16, it is crucial to know those specifications and tolerances which permit interchangeability.

tions and tolerances for interchangeability—should have been disclosed in the patent applications and also moved for judgment in its favor on the tortious interference count. Colt asked for a declaration that its patent disclosures were adequate and also asked for dismissal of count II, the tortious interference count.

The district court agreed that the patents were invalid for nondisclosure. The court then found, based solely on its finding of patent invalidity, that Colt had no protectible trade secrets in the parts and granted Christianson's motion for partial summary judgment and denied Colt's motion. The district court also, *sua sponte*, entered summary judgment for Christianson on both counts of the complaint.

Colt appealed the district court's decision to the Court of Appeals for the Federal Circuit, touching off a jurisdictional exchange between the Federal Circuit and the Seventh Circuit. The Supreme Court eventually settled the jurisdictional dispute by holding that the Seventh Circuit is the proper forum for Colt's appeal. *Christianson v. Colt Industries Operating Corp.*, 108 S. Ct. 2166 (1988). Finally reaching the merits of this appeal, we reverse the district court's grant of summary judgment, find that summary judgment should be entered for Colt on the issue of the adequacy of Colt's patent disclosures, and remand for further proceedings.

I.

The basic patents which protect the M-16 were first issued to the Armalite Division of Fairchild Hiller Corporation for its "AR-10" and "AR-15" rifles. In 1959, Colt received a license from Fairchild to develop those patents and, by 1962, had successfully developed a mass-production rifle. Shortly thereafter, the United States Army adopted that rifle as its principal battlefield rifle and designated it the M-16.

Over time, Colt made improvements to various parts of the rifle and patented those improvements, although it did not always use the improvements in actual produc-

tion of the rifle. Christianson contends that nine of those improvement patents,[2] five of which actually found their way into production, were invalid from conception because they failed to divulge the requisite information regarding their manufacture and use.

Charles Christianson, a former Colt employee, formed International Trade Services ("ITS") and went into business selling replacement parts for the M-16. These parts were obtained from Colt's suppliers, all of whom had previously agreed with Colt not to supply anyone other than Colt or Colt's licensees.[3] In 1976, Christianson received permission from Colt to sell replacement parts, but the parties strongly disagree about whether that permission was of a continuing or a limited nature.

Springfield Armory ("Springfield"), an Illinois corporation, also entered into the business of selling M-16 replacement parts. Those replacement parts were manufactured within tolerances permitting interchangeability of the

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[2] The patents at issue are: (1) Firearm Having an Auxiliary Bolt Closure Mechanism, Patent No. 3,236,155 (issued 2/22/66); (2) Trigger Mechanism, Patent No. 3,292,492 (issued 12/20/66); (3) Mechanism for Changing Rate of Automatic Fire, Patent No. 3,301,133 (issued 1/31/67); (4) Buffer Assembly Having a Plurality of Inertial Masses Acting in Delayed Sequence To Oppose Bolt Rebound, Patent No. 3,366,011 (issued 1/30/68); (5) Firearm Book Magazine with Straight End and Intermediate Arcuate Positions, Patent No. 3,440,751 (issued 4/29/69); (6) Disposable Magazine Having a Protective Cover and Follower Retaining Means, Patent No. 3,453,762 (issued 7/08/69); (7) Magazine with Anti-Double Feed Indentations in the Side Walls, Patent No. 3,619,929 (issued 11/16/71); (8) Blank Firing Adaptor for Gas Operated Firearm, Patent No. 3,766,822 (issued 10/23/73); Rifle Conversion Assembly, Patent No. 3,771,415 (issued 11/13/73).

[3] Colt licenses various manufacturers to produce replacement parts for the M-16. The licenses allow the manufacturers to sell the parts only to Colt or to a government which has contracted with Colt for supply of M-16 rifles. Colt places proprietary legends on all drawings given to the manufacturers and expressly prohibits the manufacturers from supplying information on the parts to third parties.

parts with existing M-16 rifles. Colt became aware of Springfield's endeavors and, in August 1983, commenced an action based on misappropriation of trade secrets and patent infringement seeking to enjoin Springfield's activities. Springfield denied that it had misappropriated Colt's trade secrets in the specifications and tolerances necessary to make the replacement parts interchangeable with existing M-16 rifles claiming instead that it had "reverse engineered"[4] the parts. Colt contended that to reverse engineer the parts so as to make them interchangeable with every M-16 ever produced would be a "massive task" and thus the information had to have been taken from Colt's proprietary drawings. The district court agreed with Colt and granted a preliminary injunction against Springfield. Colt sent letters to its suppliers informing them of the result and reminding them of their contractual obligation to refrain from selling M-16 parts to anyone other than Colt or Colt's licensees.

In the course of discovery in the *Springfield* case, Colt learned that Christianson had been among those who supplied Springfield with M-16 parts. Colt joined Christianson and ITS as defendants in the case but, after failing to receive a preliminary injunction against them, voluntarily dismissed them from the case.

Shortly after that dismissal, on May 14, 1984, Christianson filed the instant suit against Colt claiming that Colt's actions in protecting its alleged trade secrets violated Sections 1 and 2 of the Sherman Act and Sections 4 and 16 of the Clayton Act. Although the complaint was inartfully drawn, it apparently alleged that Colt—through its restrictive agreements with suppliers, the bad faith joinder of Christianson in the *Springfield* case, the letters Colt subsequently sent to suppliers informing them of the outcome of the *Springfield* case, and other specified and

[4] Reverse engineering is the process by which a completed product is systematically broken down to its component parts to discover the properties of the product with the goal of gaining the expertise to reproduce the product.

unspecified conduct—had monopolized the market for M-16 replacement parts and had organized a group boycott against Christianson. Christianson later added a second count alleging a state law claim of tortious interference with Christianson's business opportunities. Colt answered the complaint by denying that the actions it took to protect its trade secrets violated either the antitrust laws or the state laws against tortious interference and also cross-claimed against Christianson alleging tortious interference with its own business opportunities as well as various other trade practice violations by Christianson. Christianson countered that defense by asserting that Colt had no valid trade secrets to defend because the information alleged to be secret should have been disclosed in Colt's patent disclosures for the improvement parts in question.

Both sides filed motions for partial summary judgment. Christianson moved that Colt's trade secrets be declared invalid and asked for summary judgment on its tortious interference claim and two of Colt's counterclaims that were premised on the alleged trade secrets. Colt, in its cross-motion for summary judgment, asked the court to find that its patent disclosures were sufficient, and further asked that Christianson's tortious interference claim be dismissed.

The district court granted summary judgment for Christianson, not only as to trade secret invalidity and tortious interference, but as to all counts of the complaint. The court found that Colt's patents in the improvements at issue were invalid for failure to meet both the enablement and best mode requirements for patent validity found in 35 U.S.C. § 112.[5] According to the district court, the pat-

[5] 35 U.S.C. § 112 states, in pertinent part, that:

> [A patent] specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

ents failed to meet the enablement requirement because, given the information contained in the patents, it would still be a massive undertaking to construct the inventions so that they would be interchangeable *in the M-16. Christianson v. Colt Industries Operating Corp.*, 609 F. Supp. 1174, 1178-79 (C.D. Ill. 1985). Moreover, the court found no evidence demonstrating that the patent disclosures were sufficient to permit one skilled in the art to make the inventions for use *in any rifle. Id.* at 1179.

The district court also held that the patents failed to meet the best mode requirement of § 112. The court believed that, given the standardization of the M-16 as the battlefield rifle of this country's armed forces and the need for perfect interchangeability among the parts of the rifle, the best mode of the improvement parts was for use *in an M-16*. However, because the patents failed to disclose the specifications and tolerances within which the parts would be interchangeable with other M-16s, the court found that best mode disclosure was not made. In addition, the court rejected any suggestion that, even assuming the best mode was for use *in a rifle*, Colt had disclosed its preferred method of carrying out the inventions.

The district court next decided that Colt could not claim trade secret protection for the information that should have been disclosed. According to the court, the vindication of the policies underlying federal patent law require that state trade secret law be preempted to the extent that state law would protect information that should have been the subject of patent disclosure. *Christianson*, 609 F. Supp. at 1183. The court stated that "[a] state may not apply its own laws in such a way as would extend the monopoly of an expired or invalid patent or afford any protection which is inconsistent with the objectives of the federal patent laws." *Id.* The district court did not stop at trade secret invalidation, however, but continued on to grant relief to Christianson which had neither been sought nor briefed in the motions for summary judgment. First, the district court ordered Colt to disgorge *all* of its trade secrets relating to the M-16, whether those trade

secrets were related to the patents at issue or not. *Christianson v. Colt Industries Operating Corp.*, 613 F. Supp. 330, 331 (C.D. Ill. 1985). Second, the court granted summary judgment to Christianson on both count I, the antitrust count, and count II, the tortious interference count. *Christianson*, 609 F. Supp. at 1185.

Colt appealed the district court's decision to the Court of Appeals for the Federal Circuit. Jurisdiction in that court was premised on the theory that this case turned almost completely on a matter of patent law. In an unpublished order, the Federal Circuit granted Christianson's motion to transfer the case to the Seventh Circuit on the ground that the Federal Circuit lacked jurisdiction. The Seventh Circuit, *sua sponte*, transferred the appeal back to the Federal Circuit. A panel of this court held that the case arose under the patent laws of the United States, for which appellate jurisdiction was lodged exclusively in the Federal Circuit. *Christianson v. Colt Industries Operating Corp.*, 798 F.2d 1051 (7th Cir. 1986).

A panel of the Federal Circuit reaffirmed its original decision that only the Seventh Circuit had jurisdiction over the appeal. Nevertheless, Chief Judge Markey, the author of the Federal Circuit decision, recognized that without a decision on the merits, this appeal could volley back and forth between the circuits *ad infinitum*. Thus, "in the interests of justice," the Federal Circuit reached the merits of the appeal and reversed. *Christianson v. Colt Industries Operating Corp.*, 822 F.2d 1544 (Fed. Cir. 1987). The reasons relied upon by the Federal Circuit in reversing the judgment of the district court will be discussed below.

The Supreme Court, in order to settle the jurisdictional question in the case, granted certiorari and held that the Seventh Circuit has jurisdiction over this appeal. *Christianson v. Colt Industries Operating Corp.*, 108 S. Ct. 2166 (1988). According to the Court, the proper jurisdictional inquiry is whether patent law either creates the cause of action or is a necessary element to each of the

claims set out in the complaint, in which case the Federal Circuit would have exclusive jurisdiction, or whether some claim in the complaint relies on theories outside the patent law, in which case the regional circuits would have jurisdiction. *Id.* at 2174.

In this case, the Court found that patent law was not a necessary component of some of the theories supporting the claims arguably raised by the complaint:

> Examination of the complaint reveals that the monopolization theory that Colt singles out (and on which the petitioners ultimately prevailed in the District Court) is only one of several, and the only one for which the patent law is even arguably essential. So far as appears from the complaint, for example, petitioners might have attempted to prove that Colt's accusations of trade-secret infringement were false not because Colt had no trade secrets, but because Colt authorized petitioners to use them. . . . In fact, most of the conduct alleged in the complaint could be deemed wrongful quite apart from the truth or falsity of Colt's accusations [against Christianson in the letters sent to suppliers]. According to the complaint, Colt's letters also (1) contained "copies of inapplicable court orders" and "suggest[ed] that these court orders prohibited [the recipients] from doing business with" petitioners; and (2) "falsely stat[ed] that 'Colt's right' to proprietary data had been 'consistently upheld in various courts.' " Similarly the complaint alleges that [Colt pursued the *Springfield* case against Christianson for] "reasons completely unrelated to the provisions and purposes" of federal patent law.

Id. at 2175. The Court went on to state that the same analysis could be applied to Christianson's group boycott claim:

> Whether or not the patent-law issue was an "essential" element of th[e] group-boycott *theory* [that was actually litigated in the motion for summary judgment],

> however, petitioners could have supported their group-boycott *claim* with any of several theories having nothing to do with the validity of Colt's patents. Equally prominent in the complaint, for example, is a theory that the alleged agreement was unreasonable not because Colt had no trade secrets to protect, but because Colt authorized petitioners to use them.

Id. at 2175-76 (emphasis in original). Thus, because the antitrust claims made in Christianson's complaint could be supported with theories having nothing to do with patent law, jurisdiction over the appeal should have been taken by the Seventh Circuit. The Court, without commenting on the underlying reasoning of the Federal Circuit, concluded that the court's lack of jurisdiction compelled it "to disapprove of [the] decision to reach the merits anyway" and vacated the merits decision. *Id.* at 2178.

Secure in the knowledge that this court has jurisdiction, we finally reach the merits of Colt's appeal and find that we must (1) reverse the district court's judgment granting summary judgment to Christianson, and (2) remand the case to the district court for (a) entry of summary judgment for Colt on the issue of the adequacy of its patent disclosures, (b) disposition of the remaining summary judgment issues, and (c) proceedings on the non-patent based theories contained in Christianson's complaint.

II.

Initially, we determine what weight, if any, to give to the merits decision of the Federal Circuit. As we discussed above, the Supreme Court vacated the Federal Circuit's decision on the ground that it was inappropriate for the Federal Circuit, in the interests of justice, to decide the merits of a case over which it did not have jurisdiction. Nevertheless, there is no indication that the Supreme Court found any error in the Federal Circuit's decision. Thus, although vacated, the decision stands as

the most comprehensive source of guidance available on the patent law questions at issue in this case. *See County of Los Angeles v. Davis*, 440 U.S. 625, 646 n.10 (1979) (Powell, J., dissenting) ("Although a decision vacating a judgment neccesarily prevents the opinion of the lower court from being the law of the case, the expression of the court below on the merits, if not reversed, will continue to have precedential weight . . . .") (citations omitted); *U.S. ex rel Espinoza v. Fairman*, 813 F.2d 117, 125 (7th Cir.), *cert. denied*, 107 S. Ct. 3240 (1987) (decision vacated by Supreme Court remains persuasive precedent where Court did not reject the decision's underlying reasoning). Although we recognize that the Federal Circuit's decision does not bind us, the comprehensive nature of the decision, along with the recognition that Congress created the Federal Circuit with the goal of achieving uniformity and coherence in the patent laws, *see Christianson v. Colt Industries Operating Corp.*, 822 F.2d 1544, 1551 (Fed. Cir. 1987), counsel us against straying far from the court's thorough analysis of the difficult issues presented by this case.

With that in mind, the first substantive issues we must decide are whether the district court erred in finding that Colt failed to meet the enablement and best mode requirements of § 112. We review *de novo* the district court's determination of a summary judgment motion, *Commercial Union Ins. v. Ramada Hotel Operating Co.*, 852 F.2d 298, 300 (7th Cir. 1988), and use the same standard of decisionmaking as that employed by the district court. *Id.* Thus, we will affirm the grant of summary judgment only where there are no genuine issues of material fact and the moving party is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(c). The burden is on the moving party to support the motion for summary judgment and, where that has been achieved, the adverse party must then "set forth specific facts showing that there is a genuine issue for trial." Fed. R. Civ. P. 56(e). If we determine that the district court did err, under these standards, with respect to the validity of Colt's patents, we

must then determine if there is any reason to return this case to the district court for further proceedings.

A. Enablement

A patent is enabling when the disclosures made in the patent application are sufficient to allow a person skilled in the art to make and use the claimed invention. *Spectra-Physics, Inc. v. Coherent, Inc.*, 827 F.2d 1524, 1532 (Fed. Cir.), *cert. denied*, 108 S. Ct. 346 (1987). The requirement is designed to ensure that the subject matter of the claimed invention is generally in the possession of the public and ready to be reproduced following the expiration of the patent period. *Id.* To determine whether the disclosure is enabling, a two-part analysis is employed. First, we must delimit the scope of the *claimed* invention. *DeGeorge v. Bernier*, 768 F.2d 1318, 1323-24 (Fed. Cir. 1985); *Plastic Container Corp. v. Continental Plastics*, 607 F.2d 885, 897 (10th Cir. 1979), *cert. denied*, 444 U.S. 1018 (1980). Second, we must look to the disclosures made in the patent to ascertain whether, given that level of disclosure, a person skilled in the art could sucessfully reproduce the claimed invention in its entire scope. *DeGeorge*, 768 F.2d at 1324. Because only the claimed invention receives patent law protection, the disclosures need generally be no greater than the claim. *Technicon Instruments v. Alpkem Corp.*, 2 USPQ 2d 1729, 1742 (D. Or. 1986). If the invention can be reproduced in its entire scope, then the patent specifications are enabling.

In this case, the parties hotly contest the issue of the scope of the inventions. Christianson alleges that the inventions are improvements to parts specifically made for an M-16 rifle. As such, Christianson believes that the scope of the inventions includes the ability to use the inventions with every M-16 in existence—*i.e.*, to make the parts "interchangeable." To make the parts in each patent interchangeable, Colt would have had to have disclosed the specifications and tolerances which permit interchangeability. The district court, in granting summary judgment to Christianson, expressly adopted this analysis.

Colt, on the other hand, takes the position that the inventions have nothing to do with the M-16. Colt points out that the patent claims mention neither the M-16 nor interchangability as features of the inventions. Thus, Colt believes the claims are simply for rifle parts and would delimit the scope of the invention without regard to the ability of the invention to interact with the M-16.

Christianson answers Colt's argument by pointing out that the Federal Circuit has held that the scope of the invention can sometimes exceed the claim actually made in the patent. *White Consolidated Industries, Inc. v. Vega Servo-Control*, 713 F.2d 788 (Fed. Cir. 1983). In *White*, the invention at issue was for a system which controlled the operations performed by automated machinery through the use of a computer program. A key problem for the invention was to translate the language of the computer into a language that the machinery would understand and respond to. At the time the invention was patented, the only language translator available was a computer program called SPLIT, which was a trade secret of the Sundstrand Corporation, White's predecessor in interest. The Federal Circuit, while recognizing that the language translator was not claimed as part of the invention, nevertheless held that the failure to disclose its identity violated the enablement requirement of § 112. According to the court, the translator should have been disclosed since "it [was] an *integral part* of the disclosure necessary to enable those skilled in the art to 'make and use the same.' " *Id.* at 791 (emphasis added); *compare International Telephone and Telegraph Corp. v. Raychem Corp.*, 538 F.2d 453, 460 (1st Cir. 1976), *cert. denied*, 429 U.S. 886 (1976) (no need to disclose compound which was not claimed to be part of the invention and was not "essential to the production of the patented" invention).

We think that *White* is inapposite to the facts of this case. The disclosure of SPLIT was required because it was an "integral part" of the invention—the invention would not work, even if all other information was disclosed, without disclosure of the program. In the instant case,

the specifications and tolerances are not an "integral part" of the inventions. The inventions will work in a rifle, assuming all the other information about the inventions is disclosed, without any data regarding the specifications and tolerances required for commercial utilization of the inventions in the M-16. *See DeGeorge*, 768 F.2d at 1324 (claim as to circuitry to be interfaced with word processor was enabling where there was disclosure of "detailed, *claimed* circuitry without requiring detailed disclosure of all related, *unclaimed* circuitry [in the word processor] with which TCCPI might be interfaced") (emphasis in original). Thus, the scope of Colt's inventions cover only the claims actually made, claims involving *rifle* parts, and do not cover the specifications and tolerances required to interchange the inventions with M-16s already in existence.

We now reach the second step of the enablement inquiry, which requires us to determine, given the scope of the inventions, whether sufficient information has been disclosed to allow a person skilled in the art to make and utilize the inventions. Christianson claims, in regard to this part of the analysis, that there is no evidence that enough information was supplied to enable one skilled in the art to use the inventions in *any* weapon. Christianson argues that the deposition testimony of Colt's own witnesses support this contention. First, Christianson points to the testimony of Harold Waterman, Colt's Manager of Product Engineering for the Firearms Division, to the effect that at least one of the inventions, the bolt assist, could not have been used in any rifle given the information provided in the patent. Second, Christianson recites the testimony of Seth Bredbury, Colt's expert witness, who testified in the context of the *Springfield* case that it would be a "massive task" to reverse engineer the inventions at issue to make them interchangeable with M-16s already in existence. Christianson admits that Bredbury later testified that the inventions could be incorporated into firearms without undue experimentation, but claims that that testimony has no factual support and is refuted by his earlier testimony.

The district court also pointed to this testimony from Waterman and Bredbury to support its conclusion that the patent disclosures were non-enabling. The district court found that Bredbury's statement that " 'undue experimentation' would not be required is not substantiated by any statement of fact." *Christianson v. Colt Industries Operating Corp.*, 609 F. Supp. 1174, 1179 (C.D. Ill. 1985). The district court went on to find that "[t]here is no evidence that *any* weapon other than the Colt weapons could or do use any of the inventions." *Id.* (emphasis added).

The federal circuit found, and we agree, that the district court's finding in regard to use in weapons other than the M-16 was unsupported by the record. *Christianson*, 822 F.2d at 1561. First, and most important, Christianson's counsel acknowledged at oral argument that these inventions could be made for use in rifles; counsel's only claim was that they could not be made for use in the M-16. Second, the plaintiff has misconstrued the testimony of Waterman. Waterman did not testify that the bolt assist could not be used in a weapon, given the information provided in the patent, but instead simply opined that even one skilled in the art could not build an *entire weapon* given only the information about one part.[6] Third,

---

[6] The complete exchange between Mr. Waterman and Christianson's attorney was as follows:

> Q: Let me ask, would it be possible to make an M16 by reference to this patent 3,236,155 [the bolt assist]?
>
> A: No.
>
> Q: Do you think you could make a weapon that would have incorporated the bolt assist simply by the use of these drawings and this text and the exercise of ordinary skill?
>
> A: By the use of this only? No.
>
> . . .
>
> Q: Would your answer be the same to the question if you had tools that would be available to people of ordinary skill in this field, but if you didn't have any of Colt's proprietary, alleged proprietary tools or gauges?
>
> . . .

(Footnote continued on following page)

there is no inconsistency between Bredbury's statements in the *Springfield* case and his deposition statement here. It is undisputed that it would be a massive task to reverse engineer the parts so that they would be interchangable with all other M-16s. But that is not inconsistent with Bredbury's testimony that the patent disclosures enable one skilled in the art to put the inventions to use in some other rifle that does not require interchangeable parts. Thus, no evidence in the record supports the plaintiff's assertion, accepted by the district court, that the information provided by Colt in the patents was non-enabling with respect to the *claimed* inventions. Instead, we agree with Colt that the unrebutted evidence shows that the patent disclosures for the claimed inventions were enabling.

---

[6] *continued*

A: Let me ask this. You're going to use this document [the patent disclosures for the bolt assist]?

Q: Yes.

A: No other document?

Q: No, but you will have available to you everything that a gun manufacturer of ordinary skill in the gun manufacturing business would have, but that wouldn't include any secret, proprietary gauges that we have been talking about that Colt may have or drawings that Colt may have.

. . .

A: It isn't interchangeable?

Q: The question wouldn't require interchangeability.

A: It isn't functional or it is functional?

Q: It would have to be a functional weapon.

. . .

A: Well, for example, this document does not refer to caliber. This document does not refer to a cartridge. If one was to take this document and I have no idea that the document is to scale or what caliber or anything about it, I would have to say that the use of this document, no, you could not. You could get an idea of the mechanism, and that would just about be it.

B. Best Mode

Section 112 requires that "the specification . . . set forth the best mode contemplated by the inventor of carrying out the invention." Thus, if the applicant develops specific instrumentalities or techniques which are recognized as the best way to carry out the invention, then the best mode requirement obliges the applicant to disclose that information. *Spectra-Physics*, 827 F.2d at 1537. The requirement contains a subjective standard; we will find noncompliance only if the patentee has concealed, whether knowingly or unwittingly, *his or her* preferred embodiment of the claimed invention. *DeGeorge*, 768 F.2d at 1324; *Spectra-Physics*, 827 F.2d at 1535. Again, the focus of the best mode requirement, as it was with the enablement requirement, is on the *claimed* invention. *Randomex Inc. v. Scopus Corp.*, 849 F.2d 585, 588 (Fed. Cir. 1988); *Plastic Container Corp.*, 607 F.2d at 897.[7] Thus, before determining whether there is evidence of concealment, the scope of the invention must be delimited.

The district court in this case, again adopting the plaintiff's analysis, determined that the scope of the claims involve inventions which are "fully interchangeable with the corresponding part in every M-16 ever produced." *Chris-*

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[7] In *Plastic Container Corp.*, the defendant in a patent infringement action alleged that the plaintiff's disclosures in its patents for prescription drug containers were inadequate for failure to meet the best mode requirement. In a previous action involving the plaintiff, a court had determined that the plaintiff's disclosures did not satisfy the best mode requirement with respect to the container and the defendant claimed that that determination should be given collateral estoppel effect. Following the court's original determination, the plaintiff reapplied for a patent for the container and a patent was issued. The Tenth Circuit refused to give collateral estoppel effect to the previous decision because the defendant overlooked the fact that in reapplying for a patent, the plaintiff changed the scope of the invention. Since the features the defendant claimed should have been disclosed were features only of the original claim, and not of the invention at issue in the case at bar, the court found that the best mode requirement was fulfilled.

tianson, 609 F. Supp. at 1181. The district court then went on to find that Colt failed to disclose the best mode of using those inventions because it omitted the specifications and tolerances necessary to make the parts interchangeable with M-16 rifles already in existence. However, as we discussed above in relation to the enablement requirement, the district court erred in its definition of the scope of the inventions. Nowhere in the claims is it stated that these inventions purport to be interchangeable with every M-16 ever produced or that the inventions have anything to do with the M-16 at all. The inventions are improvements to parts used in a rifle, any rifle, and we will look to those inventions to determine if the inventor has concealed his or her preferred embodiment.

Given that the claimed inventions involve parts for rifles, without specifying any particular brand of rifle, the district court's determination that Colt failed to disclose the best mode for using these inventions was unsupported by the record. The Federal Circuit succinctly outlined the district court's error as follows:

> The best mode requirement assures that inventors do not conceal the best mode known to them when they file a patent application, but the "best mode" is that of practicing the *claimed* invention. *It has nothing to do with mass production or sales to customers having particular requirements. (emphasis added) [See Indecor, Inc. v. Fox-Wells, Inc.*, 642 F. Supp. 1473, 1490 (S.D.N.Y. 1986)]. In this case, interchangability with M-16 parts appears nowhere as a limitation in any claim, and as Christianson concedes, the patents make no reference whatever to the M-16 rifle. Thus the best mode for making and using and carrying out the *claimed inventions* does not entail or involve either the M-16 rifle or interchangeability. The "best mode" for making and using the claimed parts relates to their use in *a* rifle, any rifle. There is nothing anywhere in the present record indicating that any of the patents fail to meet that requirement.

Christianson, 822 F.2d at 1563 (emphasis in original except where otherwise noted). Thus, because this case is unlike cases where the best mode requirement has not been fulfilled because of some sort of concealment—*e.g.*, *Union Carbide Corp. v. Borg-Warner Corp.*, 550 F.2d 355 (6th Cir. 1977); *Dana Corp. v. IPC Limited Partnership*, 860 F.2d 415 (Fed. Cir. 1988) (disclosure in patent for valve stem seal inadequate where flouride surface treatment not disclosed; tests showed that the surface treatment was "necessary" to satisfactory performance of the seal)—we find no evidence in the record to support the district court's determination that Colt failed to disclose its preferred embodiment of these inventions.[8] Again, the evidence of record shows that Colt *did* disclose the best mode of carrying out its inventions.

III.

The district court held that Colt could claim no protection under state trade secret law for the specifications and tolerances necessary to make the improvement parts interchangeable with existing M-16 rifles. The only ground cited by the district court for the invalidation of the trade secrets was that Colt should have disclosed those specifications and tolerances in its patent applications pursuant

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[8] Christianson objects, quite understandably, that if Colt can validly claim trade secret protection, it will be able to protect its commercial products from competition even after the expiration of its patents. Christianson points out, and we agree, that the best mode requirement is intended to allow the public to compete fairly with the patentee following the expiration of the patents. *See Phillips Petroleum Co. v. Sid Richardson Carbon & Gasoline Co.*, 293 F. Supp. 555, 558 n.2 (N.D. Tex. 1968) ("[T]he price an inventor must pay for his seventeen year patent monopoly is a disclosure of the invention which would enable persons skilled in the pertinent art to practice it."). While we sympathize with Christianson's frustration in being unable to compete with Colt, and Christianson may yet prove that Colt has violated the antitrust laws, for the reasons discussed we cannot vindicate its attempt to rectify the situation through an attack on Colt's patent disclosures.

to the enablement and best mode requirements. Yet, as we discussed above, the district court erred in finding that Colt failed to meet the enablement and best mode requirements. Thus, the district court erred in granting summary judgment to Christianson on the issue of trade secret invalidity. Moreover, everything that followed from the district court's trade secret decision, including the requirement that Colt disgorge all of its trade secrets in the M-16 and the grant of summary judgment on the antitrust and tortious interference claims, must be vacated.

The district court also erred in denying that part of Colt's motion for summary judgment asking the court to declare that its patent disclosures were adequate. As discussed above, the non-moving party, to avoid summary judgment, must set forth specific facts to show that there is genuine dispute about a material fact. *Anderson v. Liberty Lobby*, 106 S. Ct. 2510, 2511 (1986). In this case, Christianson has set forth no facts to exhibit a dispute about whether the enablement and best mode requirements, properly understood, were fulfilled by Colt's patents. Thus, because there are no genuine issues of material fact remaining on the issue of patent validity, summary judgment should be entered for Colt on that issue.

The case does not end there, however, for the district court must still determine whether Colt, Christianson, or neither is entitled to summary judgment on count II of Christianson's complaint. Christianson's complaint states that even if the patents are valid, Colt still cannot claim trade secret protection because Colt gave Christianson permission to make the parts.[9] If the district court should determine that Colt's 1976 permission did not extend to

[9] Christianson's complaint states that: "In 1976, prior to the expiration of said patents, ITS [International Trade Services] expended funds to have manufactured certain tooling to be used for the manufacture of M-16 parts and accessories . . . . Colt gave ITS permission to use the tooling for which it had expended funds in 1976 to the end that suppliers . . . could make M-16 parts to sell to customers . . . ."

Christianson's actions at issue in this case, assuming that that issue is susceptible to determination on summary judgment, then the district court should enter summary judgment for Colt on Count II. If the district court determines that the permission does cover Christianson's actions, then the district court must decide if the other defenses Colt raises to the tortious interference claim, such as its good faith reliance on what it thought were valid trade secrets, have merit. It will be up to the district court to assess all of these issues, and any other issues properly raised in the summary judgment motions and not disposed of by this case, on remand.

IV.

For all the reasons discussed above, we REVERSE the decision of the district court and REMAND for further proceedings not inconsistent with this opinion.

A true Copy:

Teste:

Clerk of the United States Court of Appeals for the Seventh Circuit

APPENDIX B

United States District Court
Central District of Illinois

CHARLES R. CHRISTIANSON AND INTERNATIONAL TRADE SERVICES, INC., *Plaintiffs*, v. COLT INDUSTRIES OPERATING CORP., a Delaware corporation, *Defendant*.	)	Consolidated Civil Action Nos. 84-4056 and and 83-4072

FINAL JUDGMENT ON LIABILITY

This case was before this court on the pleadings, including cross-motions for summary judgment. Plaintiffs, Charles R. Christianson and essentially his corporation, International Trade Services, Inc., filed a complaint against Colt Industries Operating Corp. (Colt Industries) for damages, injunctive and equitable relief, for injuries resulting from Colt Industries' violations of the antitrust laws (Count I) and amended it to include a count for intentional wrongful interference with business relations by Colt Industries and requesting actual and punitive damages (Count II). Colt Industries denied violations and asserted numerous counterclaims and affirmative defenses. Plaintiffs denied Colt Industries' counterclaims and asserted affirmative defenses. Patent infringement is not an issue in this case. This court has jurisdiction over the subject matter of this action and the parties before it under 28 U.S.C.

§1332 and 15 U.S.C. §§4, 15 and 26. Venue in this district is proper under 28 U.S.C. §1391(b) and (c) and 15 U.S.C. §15.

Based on the motion papers and accompanying briefs and the representations of counsel at a hearing, all matters alleged in plaintiffs' complaint and those matters in defendant's counterclaims raised in the motion papers were considered by the court to be placed before it for ruling, and therefore the court has considered and has duly ruled upon the same as a matter of summary judgment upon undisputed material facts.

This court's decision is based upon the pleadings, the depositions, answers to interrogatories and admissions on file, together with the affidavits and other evidence presented, the briefs, arguments, and this court's interrogation of counsel at a hearing. Among the material considered was live testimony before this court in *Colt Industries v. Springfield Armory, Inc., et al.*, Civil Docket No. 83-4072, with which this cause was heretofore consolidated. That testimony was identified by the transcript portions provided as exhibits to the instant motion.

This court has determined that summary judgment is appropriate as indicated in this court's Memorandum Decision and Order entered on May 24, 1985, which Memorandum is incorporated herein.

IT IS THEREFORE ORDERED AND ADJUDGED that:

1. There having been injury to plaintiffs' business and property, a trial shall be held, as subsequently scheduled by this court, to determine the amount and types of damages to which plaintiffs may be entitled, and such other matters as may remain to be resolved by trial.

2. A hearing shall be held after such trial to determine the amount of attorneys' fees and interest and costs to which plaintiffs may be entitled.

3. The disclosures made in Colt's M-16 patents are insufficient to satisfy either the enablement or best mode requirements of 35 U.S.C. §112. Accordingly, the following patents were invalid from their inception:

3,236,155; 3,292,492; 3,301,133; 3,336,011; 3,440,751; 3,453,762; 3,619,929; 3,771,415; 3,977,296.

4. In view of Colt Industries' wrongful retention as its trade secrets of information that it should have disclosed, under 35 U.S.C. §112, 1st paragraph, in its M-16 patents, so that others could have made and used the M- 16 inventions for use with the M-16 (all references herein to M-16 are intended to include its various versions such as the M-16A1 and the M-16A2, where the context permits), such information is hereby declared void and unenforceable as trade secrets. Colt Industries' monopolization of the M-16 market and sub-markets and agreements in restraint of trade in connection with its suppliers and distributors require injunctive relief for an adequate remedy.

5. Though some of the M-16 trade secrets did not directly have to be disclosed in the patents for various reasons of timing and subject matter, in order to best place the public in a position it would have been in but for the wrongful acts of Colt Industries, and provide for proper competition, it is hereby declared that all trade secrets in technical information relating to the M-16, which came into existence prior to the entry of this order, are hereby declared void and unenforceable.

6. To the extent that any of the counterclaims in the action remain unresolved, and in accordance with Rule 56(d) of the Federal Rules of Civil Procedure, it is determined that the invalidity and unenforceability of any and all of Colt Industries' trade secrets in technical information relating to the M-16 which were in existence prior to the entry of this order, is taken as conclusively established with respect to all subsequent proceedings in this case.

7. Colt Industries, its officers, agents, servants, employees, attorneys, and those entities in active concert or participation with them (who receive actual notice of the order by personal service or otherwise) are hereby enjoined from asserting or seeking to enforce, in any manner which would impede or interfere with plaintiffs in their businesses or

employment, any form of trade secret right in any technical information relating to the M-16 wherein such information was in existence prior to the entry of this order.

8. Colt Industries is directed to preserve until June 1, 1989, such technical information relating to the manufacture of the M-16 which was in existence prior to the entry of this order, and to provide it to either plaintiff upon request within 30 days of such request. Colt Industries may charge a reasonable and customary fee for copying charges for handling of any such request.

9. On documents or drawings which Colt Industries hereafter distributes bearing technical information in existence prior to the date of this order and relating to the M-16, Colt Industries shall insure that no proprietary stickers and/or Colt Industries' confidentiality designations shall be used in connection with potential customers or suppliers of plaintiffs in a fashion which would indicate that any such technical information could be protectible as a trade secret.

10. Colt Industries shall serve a copy of this Order upon all potential customers or suppliers of plaintiffs which Colt Industries has within the past four years:

a. licensed M-16 trade secrets,

b. threatened enforcement of M-16 trade secrets, or

c. sent letters claiming rights in M-16 trade secrets for the past four years.

11. Colt Industries' Fifth and Sixth counterclaims are hereby dismissed with prejudice. Pursuant to Rule 54(b), this court determines there is no just reason for delay and directs the entry of final judgment in favor of Christianson and ITS and against Colt Industries on said claims, and judgment is hereby entered accordingly.

12. Final judgment is hereby entered as to plaintiffs' claims for liability on Counts I and II of plaintiffs' complaint in favor of plaintiffs against defendant.

13. The court is of the opinion that this judgment involves a controlling question of law as to which there is substantial ground for difference of opinion, and that an immediate appeal from this entire judgment may materially advance the ultimate termination of the litigation.

/s/ Robert D. Morgan
United States District Judge

Entered: July 19, 1985

APPENDIX C

United States District Court
Central District of Illinois

CHARLES R. CHRISTIANSON, AND INTERNATIONAL TRADE SERVICES, INC.,	)	
Plaintiffs,	)	
v.	)	No. 84-4056
COLT INDUSTRIES OPERATING CORP.,	)	
Defendant.	)	

MEMORANDUM DECISION AND ORDER

Plaintiffs, Charles R. Christianson and essentially his corporation, filed this complaint against Colt for damages, injunctive and equitable relief, under §§4 and 16 of the Clayton act (15 U.S.C. §§15 and 26), upon their allegations that Colt has violated Sections 1 and 2 of the Sherman Act (15 U.S.C. §§1 and 2). Colt has answered denying violation and asserting numerous affirmative defenses and counterclaims. Venue exists in this district under 15 U.S.C. §15 and 28 U.S.C. §1391(b) and (c).

The complaint is grounded on allegations that Colt achieved and now attempts to maintain an unlawful monopoly on the manufacture and sale of parts for the M-16 standard military rifle. In the 1950's Colt obtained a patent for a gas-operated, automatic rifle which was adopted in 1964 by the United States as its standard military firearm. The Government designated it as the M-16. In ensuing years, Colt obtained several other patents on improvements of parts for that weapon. With a few

exceptions, not critical to this decision, all such patents have now expired. Over the years, Colt entered into a licensing agreement with the Government for Government production of the M-16 for its use and for sale to foreign governments under the patents and drawings and technical data supplied by Colt. It also entered into agreements with the government of the Philippines, and with certain other foreign governments. authorizing the manufacture of the rifles to arm each such nation's military forces. It further entered into contracts with various suppliers in the United States for the manufacture and sale of component parts for the rifle. Those licenses restricted the sale of such parts to Colt and the United States Government only. With each such agreement, defendant supplied drawings and technical data for use by the various licensees. All agreements contained restrictive clauses which prohibited the sale of parts to all except the authorized clients, and which prohibited the disclosure of defendant's drawings and technical data to anyone not specifically authorized by the agreement to see them. As to domestic licenses, the proscription excluded only defendant and the Government. The proscription in the foreign licenses limited sale to each nation's own military force and disclosure only to appropriate government officials. The complaint alleges that Colt has employed those restrictive clauses in an attempt to deny to any others the right to manufacture such rifles and parts notwithstanding the fact that Colt's patents have been expired for several years. It is alleged that Colt attempts, by such practices, to foster and maintain its monopoly position in the manufacture and merchandising of the products as if its patents still remained in force.

In 1983, Colt filed in this court a suit against Springfield Armory, Inc., and others, under docket no. 83-4072, to enjoin the performance of a contract of those named defendants for the sale of M-16-type rifles to a Central American government. A preliminary injunction was issued following a hearing. These plaintiffs were ultimately joined, and that decision was affirmed by the Court of Appeals for the Federal Circuit. Further discussion of the latter decision appears in a later

context. The ground for complaint in that case was that Colt would be irreparably damaged by the unauthorized use of Colt's drawings and proprietary information which Colt claimed were trade secrets and its exclusive property. That case has heretofore been settled by the parties and closed.

Plaintiffs filed the pending complaint against Colt in 1984. The cause was scheduled for trial late in that year. That schedule was cancelled on the representation by the parties that cross motions for summary judgment would be filed. Those motions are now before the court for decision.

The thrust of plaintiffs' motion is the position that Colt cannot assert its claims of trade secrecy against plaintiffs because it had, in its now-expired patents, failed to make the full disclosures of its claims of invention as required by 35 U.S.C. §112.

Plaintiff Christianson has been marketing M-16 components for approximately eight years. Initially, Colt acquiesced to his use of drawings obtained from a Colt foreign licensee. It also appears that during that period other suppliers advertised for the sale of M-16 parts, as well as some M-16 drawings. It further appears that significant M-16 manufacturing not authorized by Colt licenses was conducted by Colt's foreign licensees and domestic suppliers, all without serious objection from Colt. Plaintiffs argue, not implausibly, that Colt was not concerned with such activities so long as its U.S. position was protected by its basic patents. Plaintiffs assert that Colt resorted to legal action to try to restore its monopoly position only after its basic patents had expired.

A critical factor here clearly is the unique character of the product involved. A key criterion of a military weapon is that there be complete interchangeability of parts between all weapons of the same general kind which have ever been produced for use by a military force. Critical to that requirement is the ability to scavenge weapons from a battlefield for parts replacement in all other like weapons. That critical factor was emphasized by Colt before this court in the hearing for a preliminary injunction in the *Springfield* case. Colt took the

position that the M-16 had an absolutely essential feature of parts interchangeability which was critical to the use of the rifle on the battlefield, and that that feature could be satisfied only by the use of Colt's drawings and trade secrets. It asserted that the M-16 was not reverse enginerable. In that context plaintiffs assert:

> "Thus [Colt] avoided *Syntex Ophthalmics, Inc. v. Novicky*, 591 F.Supp. 28, 221 U.S.P.Q. 860 (N.D.Ill.1983), *aff'd* 28 Pat. Trademark and Copyright J. (BNA) 717 (Fed. Cir. 1984), and cases before it, which stand for the proposition that if a product is reverse enginerable, injunctive relief against theft of trade secrets is limited in time. Thus, to extend its exclusive position well beyond the expiration of its patents, Colt had to argue that the M-16 was not reverse enginerable."

To a degree, as plaintiffs argue, Section 112 places Colt on the horns of a dilemma. To sustain its claim for an injunction in case 83-4072, Colt had to take the position that interchangeability of parts was a must, and that such interchangeability could be fully obtained only by the use of Colt's drawings and other claimed trade secrets. In that context, a Colt expert testified that it would be possible from the base patents for a person skilled in the art to make a rifle similar to that claimed by the patent and by use of reverse engineering of a Colt firearm, but that would be a "massive" task. In the context of these motions, that same expert has executed an affidavit which asserts that the making of an M-16, using the patents by a person skilled in the art, would not entail undue experimentation.

A review of *Colt Industries Operating Corp. v. Springfield Armory, Inc., et al.*, (Fed. Cir., April 19, 1984, unpublished), in which this court's issuance of a preliminary injunction was affirmed, seems appropriate in this context. The single issue before that court was the appropriateness of the preliminary injunction upon the record made in that hearing. It did affirm the judgment of this court. Pertinent to these motions now, the there court said:

> "Although Springfield's 35 USC 112 arguments, particularly related to best mode, have an appearance of validity *(See White Consolidated Industries, Inc. v. Vega Servo-Control, Inc.*, 713 F.2d 788, * * * (Fed. Cir. 1983), the evidence of record is totally lacking in specifics. * * *"

Although obviously that statement cannot be read as a predetermination by the Federal Circuit of the issues now before this court, it can and should be accepted as the statement of a recognition by that court that possibly serious issues of Colt's compliance with Section 112 could exist, subject to substantiation by adequate evidence. To that extent, and to that extent only, that statement does have a bearing on the issues now before this court.

The crux of the issues presented by these motions is the language of 35 U.S.C. §112, which provides that a patent to be valid must:

> "* * * contain a written description of the invention, and of the manner and process of making it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention."

In re Gay, 309 F.2d 769 (CCPA 1962), said that Section 112 imposed both an enabling requirement and a best mode requirement to sustain the validity of a patent. The court there said that the enabling requirement was designed to ensure that the printed patent disclose an invention in sufficient detail to enable persons skilled in the art to make and utilize the invention, and that the best mode requirement was designed to preclude inventors from applying for patents while at the same time concealing from the public the preferred embodiment of the inventive concept. The "enablement" requirement of the statute is satisfied if a person of ordinary skill in the art is able to make and use, without undue experimentation, a functioning version of the invention from the disclosures of the patent coupled with information which is already publicly known. *White Consolidated Industries, Inc., v. Vega Servo-Control, Inc.*, 713 F.2d 788 (Fed. Cir. 1983).

Thus Section 112 provides the quid pro quo for the grant of a patent monopoly under the Act. The Patent Act was designed to foster and enhance the development and disclosure of new ideas and the technical advancement of knowledge. Upon a determination that a patent claim does contain the elements of inventive novelty, the claimant becomes entitled to a monopoly on the right to practice and exploit the patented invention for a substantial but limited period of time. At the same time, the issued patent becomes a part of the public domain, subject only to the patentee's exclusive right to exploit the patented invention as defined by him during the limited monopoly period. Others are free during the period of that monopoly to devise improvements upon the patented concept, without redress to the patentee, so long as those improvements do advance the state of the art and public knowledge. Yet the patentee can assert his monopoly rights against those who adopt only superficial modifications which fall short of a true advancement of the art. In exchange for his limited monopoly position, the patentee must disclose in his patent sufficient information to enable others skilled in the art to employ and profit from the invention after the period of limited monopoly has expired. Section 112 simply delineates the scope of the disclosures which are necessary to accomplish and protect those public purposes by requiring that the patent applicant fully describe the subject matter as to which he is asserting a claim to a statutory right to a monopoly.

CONCLUSION

It is necessary here to conclude, from the voluminous exhibits, pertinent patents, affidavits, depositions and other materials submitted to the court, and in keeping with the patent concept, that plaintiffs are entitled to judgment in their favor. The disclosures made by Colt in obtaining its patents satisfied neither the enablement nor best mode requirements of 35 U.S.C. §112.

DISCUSSION

The enablement requirement is fulfilled if a person of ordinary skill in the art is able, without undue experimentation, to make and use some mode of the invention from the disclosures of the patent and from what was previously publicly known. *White, supra; Engelhard Industries, Inc. v. Sel-Rex Corp.*, 253 F.Supp. 832 (D.N.J.1966), aff'd 384 F.2d 877 (3d Cir.1967). *Engelhard* points up the distinction between enablement and best mode by its holding that the enabling requirement was satisfied, but that there had been a failure to disclose the best mode for carrying out the invention.

To a large degree, Colt, in opposition to the plaintiffs' motion, has attempted to create a question of fact from conflicting sworn statements of its own expert witnesses. It employed a Seth Bredbury who now states in his affidavit as to the bolt assist patent (No. 3,236,155) that a person of ordinary skill in the firearms art could design and produce a gas-operated firearm of the type shown, incorporating the invention defined in the patent, without undue experimentation. Yet, Mr. Bredbury, in his prior testimony based upon his review of the Colt patents, stated that a person skilled in the art could design a rifle very much like the M-16, which could perhaps function as well, but that that would be a massive undertaking. While he did not define the word "massive," it must be recognized that that term means unusually large, or, as defined in Webster's New Collegiate Dictionary, "large in comparison to what is typical." The use of the word "massive" must imply the use of undue experimentation before any practical result could be achieved.

Harold Waterman, the head of Colt's firearm product engineering, testified, in reviewing the same bolt assist patent, that "you could not" make a weapon by the use of that patent. "You could get an idea of the mechanism, and that would just about be it." The question presumed a person skilled in the field of manufacturing firearms who had available all tools and equipment for firearms manufacture, but not including any gauges in which Colt claims a proprietary interest as trade secrets.

Mr. Bredbury's current statement that no "undue experimentation" would be required is not substantiated by any statement of fact. There is no evidence that any weapon other than the Colt weapons could or do use any of the inventions. It seems both reasonable and unavoidable to presume that those skilled in the art would have devised a weapon to compete with the Colt product in the 20 years elapsed since the M-16 became the adopted weapon of the United States military, if a comparable weapon could be made without undue experimentation and without access to Colt drawings and technical information. The bare statement of the conclusion that it could, without any factual substantiation, cannot create an issue of fact. The question of enablement has been held to be a question of law. *Raytheon Co. v. Roper Corp.*, 724 F.2d 951, (Fed. Cir. 1983). An issue of fact is not created by the statement of an unsubstantiated legal conclusion. *E.g., Application of Brandstadter*, 484 F.2d 1395 (CCPA 1973).

Consideration of the best mode requirement of §112 should begin with the distinction between the two requirements of the statute. The enablement requirement is designed to allow the public to practice the invention in a generalized fashion. The concern of the best mode requirement is the prevention of abuse of the patent monopoly by its extension beyond the limited period which the statute permits. *In re Gay, supra*, failure of disclosure of the best mode for practicing the invention could have that effect when the patentee fails to disclose essential information. Upon expiration of the limited patent monopoly, the public is entitled to practice the invention without restriction, including the right to produce and market the patentee's commercial product without modification. The patent statute contemplates that, in exchange for the grant of a limited monopoly, the patentee will make a full disclosure of the patented idea to such extent that it may be fully utilized by those skilled in the art once the patent monopoly has expired. Whether or not the best mode contemplated by the inventor for carrying out his invention was disclosed, is a question of fact. *McGill Incorporated v. John Zink Company*, 221 U.S.P.Q. 944, 951 (Fed. Cir. 1984).

The disclosures required by §112 can impose a burdensome task on both the patent applicant and the patent examiner, but that does not excuse, as Colt tends to argue, the necessity for disclosure of whatever information is required to satisfy the statutory command. A party is free to disclose whatever it wishes and in any suitable manner, provided that the disclosures made are sufficient to satisfy the statutory requirement. *Weil v. Freitz, Evans and Cooke*, 202 U.S.P.Q. 447, 450 (CCPA 1979). The courts must be vigilant, in consideration of §112 issues, against the, perhaps natural, desire of patentees to disclose as little as possible. *Flick-Reedy Corp. v. Hydro-Line Mfg. Co.*, 351 F.2d 546, 550-51 (7th Cir. 1965), *cert. denied*, 383 U.S. 958. Satisfaction of §112 may require voluminous disclosures as demonstrated in *Honeywell, Inc. v. Sperry Rand Corp.*, 180 U.S.P.Q. 673 (D.Minn.1973), in which a computer patent contained 91 sheets of drawings and 232 columns of printed text.

There is no objective standard by which to judge the adequacy of a best mode disclosure. *Application of Sherwood*, 613 F.2d 809 (CCPA 1980), *cert. denied*, 450 U.S. 994. The scope and magnitude of what must be disclosed is also influenced by the character of the particular art involved. The disclosures required in a patent related to an internal combustion engine, for example, are limited by the fact that such would deal with a standardized product which is well known to practitioners in the art. By contrast, there is no standardization of military weaponry since each weapon is unique unto itself. Though weapons are characterized by certain conventional details which are well known to those in the weapons art, there is much which is unique to every particular weapon. Bearing that distinction in mind, it is plaintiffs' position that it was incumbent on Colt to fully disclose the interchangeability specifications for the M-16 and its component parts to satisfy the best mode requirement of §112.

Of the many reported cases, the following are deemed to articulate the application of the best mode requirement. In the absence of countervailing evidence, the best mode for carrying

out the claimed invention can be presumed to be the existing commercial embodiment. *Union Carbide Corp. v. Borg-Warner Corp.*, 550 F.2d 355 (6th Cir. 1977).

In *Phillips Petroleum Co. v. Richardson Carbon Co.*, 293 F.Supp. 555 (W.D. Tex. 1968), the best mode of practicing the claimed invention was embodied in Phillips' commercial product which could not be produced from information disclosed in its patent. That finding was fortified by the existence of licensing agreements negotiated by Phillips, which required the licensees to keep the process for manufacturing its commercial product a closely guarded secret. To that degree, the factual background of Phillips closely parallels what the evidence in this cause reveals.

A patent which only mentioned a critical material by commingling it with other materials failed, by that commingling, to disclose the best mode for practicing the invention. *Dale Electronics, Inc. v. R.C.L. Electronics, Inc.*, 488 F.2d 382 (1st Cir. 1973).

There is a failure of the best mode requirement if information which is essential to production of the product is not disclosed. *Flick-Reedy Corp. v. Hydro-Line Mfg. Co.*, 351 F.2d 546, 550-51 (7th Cir. 1965), *cert. denied*, 383 U.S. 958 (1966).

There was a failure to disclose the best mode when, even though, as the patentee argued, other programs were available, it had retained as a trade secret that which it employed in its commercial product. *White Consolidated Industries, Inc. v. Vega Servo-Control, Inc.*, 214 U.S.P.Q. (S.D. Mich. 1982), *aff'd* 713 F.2d 788 (Fed. Cir. 1983).

The disclosure of the second best embodiment, where the patentee had a better embodiment, failed to disclose the best mode. *Engelhard Industries, Inc. v. Sel-Rex Corp.*, 253 F.Supp. 832 (D.N.J. 1966), *aff'd* 384 F.2d 877 (3d Cir. 1967).

The cases principally relied on by Colt arose when §112 was pleaded as a defense to a suit for patent infringement by defendants who had copied and were competing in the sale of the patented product. The argument in *In re Gay, supra*, was

that there was no best mode disclosure because the patent failed to specify the number, size and placement of perforations in a rice cooker. The court said that, despite that omission, any person skilled in the art would know that a number of perforations were necessary, and that the patented product could be produced by following the patent without undue experimentation, or perhaps with no experimentation. The court in *In re Strahilevitz*, 668 F.2d 1229 (CCPA 1982), found that the undisclosed information was already known in the prior art. The accused infringer in *Trio Process Corp. v. L. Goldstein's Sons, Inc.*, 461 F.2d 66 (3d Cir. 1972), *cert. denied*, 409 U.S. 997, had employed a metal worker to copy the patentee's patented product.

The court in *Standard Oil Co. v. Montedison S.p.A.*, 494 F.Supp. 370 (D. Del. 1980), *aff'd* 664 F.2d 356 (3d Cir. 1981), *cert. denied*, 456 U.S. 915, said that the best mode requirement is satisfied if the specification is sufficient to guide one skilled in the art to its successful application. The accused infringer argued in *International Telephone and Telegraph Corp. v. Raychem Corp.*, 538 F.2d 453 (1st Cir. 1976), *cert. denied*, 429 U.S. 886, that the best mode for production of an improved type of wire designed for use in the F-111 military fighter plane was not disclosed because the patentee had failed to disclose a secret compound employed in production of the patented wire.

Apparently accepting the findings of the trial court in *International Telephone and Telegraph Corp. v. Raychem Corp.*, 188 U.S.P.Q. (D. Mass. 1975), that the accused infringer had obtained a sample of the patentee's wire through which, after an analysis of its structure, it had been able to produce the patented product with "no difficulty," the court held that §112 disclosures were sufficient. *Illinois Tool Works, Inc. v. Solo Cup Co.*, 179 U.S.P.Q. 322 (N.D. Ill. 1973), presents a situation comparable to that in *Raychem*. Similarly, the court in *Atlas Powder Co. v. E.I. Du Pont de Nemours & Co.*, 588 F.Supp. 1455, (N.D. Tex. 1983), said that the ease with which the infringer had formulated the patented product was an indication that the patent disclosures were sufficient.

None of those cases derogates at all from the determinative inquiries of, what did the inventor know? what did he consider the preferred embodiment for using his invention? and did he withhold information known to him which would enable the public to reap the full benefits of competition upon the expiration of the patent?

The preferred embodiment of the invention in each of Colt's patents was the improvement of the M-16 military weapon, with the essential requirement that each of the parts modifications be fully interchangeable with the corresponding part in every M-16 ever produced. Plaintiffs assert the position that the mandate of §112 could be satisfied only by the disclosure of the critical interchangeability specifications. This court has expressly recognized the criticality of interchangeability in its preliminary injunction issued in the *Springfield* case, when it said:

> "3. The evidence is clear and convincing that the use of the designation 'M-16' in Springfield's contract with the government of El Salvadore amounts to a representation that the Springfield XM-15 rifle is in all respects the equivalent and fully interchangeable with the U.S. Army M-16, with full parts interchangeability, when none of such is now shown by the evidence to be the case in any important respect."

There appears a sharp contrast between Colt's position, taken in pursuit of the *Springfield* preliminary injunction, that complete interchangeability was the one factor of extreme importance, and that failure of full interchangeability could be fatal to the combat infantryman, and its present position that parts interchangeability is a common feature of all mass produced products. Of Colt's present position, plaintiffs observe that, "What Colt Industries assiduously avoids is the fact that interchangeability is not a means for maintaining a monopoly in those other industries as it is for the standard U.S. military rifles." Colt's present position ignores the fact that the firearms industry is not standardized, as, for example, the automobile industry. Mr. Waterman recognized that distinction when he testified:

> "I think one of the things that has happened over a period of time in the firearms business is you normally try and utilize, if possible, standard parts, and almost 100 percent of the time it's not possible."

Thus Colt's present position that M-16 parts can be produced without undue experimentation is rejected by statements by its own experts in *Springfield* and in the posture of the present case. M-16 parts might be produced through reverse engineering, but, if so, that would entail a massive undertaking. Use of reverse engineering is also hindered by provisions in Colt's contracts with the Government, that no scrap parts be sold to unauthorized persons unless such parts are damaged and unrepairable.

The situation in *Wilden Pump & Engineering v. Pressed & Welded Products*, 199 U.S.P.Q. (N.D.Cal.1978), *aff'd* 213 U.S.P.Q. 282 (9th Cir. 1981), is interesting. The patent involved had omitted disclosure of dimensions and tolerances for an activator valve employed in the patentee's pump. The court rejected a §112 defense upon its findings that the accused infringers had been able to mass produce that valve by using ordinary engineering practices to supply that information and permit the mass production of the part. That accused infringer had no substantial difficulty in duplicating the patented item by reverse engineering. That same consideration is doubtless present in almost all situations which deal with standardized products. Standardization tends to produce a field of prior knowledge essential to permit the copying of the patentee's commercial product with little effort by the application of reverse engineering. The totality of the undisputed evidence indicates that that is not true in the art of military weaponry. As plaintiffs argue, this is a unique situation which must be resolved independently by this court, guided, however, by the precedent of decided and controlling decisions.

Plaintiffs' statement is deemed to fully and clearly present the issue of "best mode" involved here, and the conclusion. Framed in their language, it is:

To consider the issue [of best mode] in proper perspective, we must look to the facts to clearly sort out the unique fact situation we have here:

1. First, we have here the uncommon situation where the critical dimensions and tolerances cannot be reverse engineered;

2. Second, we also have here the uncommon situation where interchangeability is an absolutely essential requirement of the customers, amounting to a situation of life and death on occasion;

3. Third, we have the uncommon situation that this absolutely essential requirement must be maintained for production extending of (sic) a period of very many years;

4. Fourth, we also have here the situation where the dimension and tolerances necessary for interchangeability were known by the inventor to be important at the time of filing the patent applications; and

5. Fifth, we have the situation where the patent applications are on an improved component which is interchangeable with and serves as a replacement for a corresponding component of a much larger standard U.S. product, which even more uniquely has the U.S. standards privately and secretly owned by the patent applicant.

Applying the above facts under the standard of Section 112 must [lead to] the conclusion that at least the crucial interchangeability specifications should have been in the patent.

There can be no question that the preferred embodiment of each of the patents is the incorporation of the patented structure into the standard M-16 military rifle. That is the only mode for practicing the invention since it seems clear that the parts could not be employed in any other existing weapon. That finding and conclusion merely fortifies the uniqueness of this situation, which was previously noted. As also previously noted, a Colt expert said that the arms manufacturer seeks a standardized embodiment for general use which is unattainable almost 100 percent of the time.

Plaintiffs' careful analysis of Colt's receiver and bolt assist patent (No. 3,236,155), trigger mechanism patent (No. 3,292,492), and magazine patent (No. 3,619,929) is seen to apply to all of the patents in issue. Each describes the claimed invention in a generalized way, without disclosing the critical details of construction and, most importantly, the elements of structural detail and tolerances required to achieve the paramount requirement of full interchangeability of parts among all M-16 weapons produced over more than 20 years. That information was essential if the patent disclosures were to satisfy the §112 requirement that the best mode for practicing the invention be disclosed. There can be no doubt that all of this critical information was known to Colt's patent applicants when the patent applications were processed.

A consistent pattern emerges when the several patents are compared. In each, Colt failed to disclose that information which was essential to disclosure of the best mode then known to the patentee for practicing the claimed invention. Colt obviously sought to insulate its position by the provisions in its licensing agreements which were designed to forestall disclosure of such concealed information which Colt claimed as its proprietary property under the laws related to trade secrecy. To that end, it has transmitted threatening correspondence to some of its licensees to further insulate that information from disclosure to other persons. It seems obvious that such actions were designed to perpetuate Colt's monopoly on the production of the M-16 rifle and its component replacement parts. The picture which emerges is that Colt reaped the benefits of its limited monopoly under the patents and seeks to extend it by means of planned subterfuge and a near total failure of compliance with the requirements imposed by §112.

Plaintiffs rely on both equity and the doctrine of federal supremacy as supporting their position that the claimed trade secrets are invalid and unsupportable. Colt's response to that argument is its assertion, in effect, that if there was noncompliance with §112, the only available remedy is the invalidation of its patents, most of which have already expired. Its

corollary argument is that its misuse of the patent laws cannot affect its proprietary interest in its claimed trade secrets under state law. That argument is unsound.

Under the doctrine of federal supremacy, the patent laws do preempt application of state trade secrecy laws whenever enforcement of the state law would conflict with the accomplishment and execution of the full purpose and objectives of the patent laws as enacted by Congress. *Hines v. Davidowitz*, 312 U.S. 52, 67, (1941). The patent laws enacted under the Constitution are the supreme law of the land which cannot be set at naught and the benefits thereof denied by the application of state law. *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 229, (1964). A state may not apply its own laws in such a way as would extend the monopoly of an expired or invalid patent or afford any protection which is inconsistent with the objectives of the federal patent laws. *Ibid.* at 231. The nature and extent of the legal consequences of the expiration or invalidation of a patent are federal questions which must be answered by the application of the patent laws and the policy which they adopt. *Scott Paper Co. v. Marcalus Mfg. Co.*, 326 U.S. 249, 255-256, (1945). "Hence any attempted reservation or continuation in the patentee * * * of the patent monopoly, after the patent expires, whatever the legal device employed, runs counter to the policy and purpose of the patent law."

Both *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257 (1979), and *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470 (1974), upon which Colt relies, are inapposite. In *Aronson*, no patent had been issued although a patent application had been filed, while in *Kewanee* there had been no application for a patent. Thus, the court was not dealing with any potential conflict between the patent laws and the state laws of trade secrecy.[1]

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[1] In this context, plaintiffs assert that the opinion in *Colt Industries v. Springfield Armory, supra*, should be accepted as the law of the case, citing *Gindes v. United States*, 740 F.2d 947 (Fed. Cir. 1984). The reference is to language in that opinion that courts generally refuse to reopen what has already been decided. *See Messenger v. Anderson*, 225 U.S. 436, 444 (1912). Previous discussion of *Springfield* herein delimints this court's interpretation of that opinion, which clearly indicated that it will not be presumed that the Federal Circuit did decide an issue which was not before it. Plaintiffs' reliance on the doctrine of the law of the case is this misplaced.

As stated above, the court finds that the disclosures made in Colt's several M-16 parts patents are insufficient to satisfy either the enablement or best mode requirements of §112. It follows that each of those patents was invalid from its inception and that any claim of trade secrecy as to the nondisclosed information is likewise invalid.

REMEDY

The remaining issues devolve into a determination as to the appropriate remedy. Plaintiffs assert that Colt should be required to disgorge its claimed trade secrets. Its argument is not limited to those items which were required to be disclosed. It also argues that Colt should disgorge all material which it claims as its trade secrets, because of its misuse of the patent system and because of its unjust enrichment by use of the invalid patents for which it had wholly failed to provide the consideration which the patent laws require. Reiterating, that consideration is full and complete disclosure which would enable the public to freely practice the invention once a patent has expired.

That position is supported by *Dow Chemical Co. v. American Bromine Co.*, 210 Mich. 262, 177 N.W. 996 (1920), which held that a patentee cannot, in equity, claim trade secrecy for conventional information which could readily have been discovered had the required disclosures been made in its patent. The trade secrecy laws cannot be invoked to protect production specifications which could have been reverse engineered had the critical interchangeability specifications been properly disclosed. *See Rototron Corp. v. Lake Shore Burial Vault Co., Inc.*, 712 F.2d 1214 (7th Cir. 1983); *ILG Industries, Inc. v. Scott*, 49 Ill.2d 88, 273 N.E.2d 393 (1971). Moreover, the period for the enforcement of the claimed trade secrets, which could have been discovered by reverse engineering, would doubtless have ended years ago had the essential specifications been disclosed. *See Syntex Ophthalmics, Inc. v. Novicky*, 591 F.Supp. 28 (N.D. Ill. 1983), *aff'd* 28 Patent, Trademark & Copyright J. (BNA) 717 (Fed. Cir. 1984).

The clean hands doctrine also bears upon this phase of the case. As stated by the Court in *Precision Instrument Manufacturing Co. v. Automotive Machinery Co.*, 324 U.S. 806, 814, 815 (1945):

> "Thus while equity does not demand that its suitors shall have led blameless lives, as to other matters, it does require that they shall have acted fairly and without fraud or deceit as to the controversy in issue."

Colt must bear the consequences of its flagrant abuse of the patent laws.

Colt's assertion that Christianson is guilty of having induced the breach of its licensing agreements, both as a defense to plaintiffs' motion and as the basis for its counterclaims, is not sustained. Although Christianson is a former Colt employee, it is not alleged that he has been guilty of corporate espionage, theft, bribery, or deception in his obtaining the Colt specifications which he has used. They were supplied to him by the governments of the Philippines and Singapore.

Moreover, the license agreements themselves are tainted by Colt's misuse and evasion of the patent laws. As plaintiffs suggest, had the required disclosures been made in the patents, the supplementary information would probably have been discovered by others long before the now-elapsed time of about twenty years. Secrecy would thus have evaporated with the issuance of the patents. *Forest Laboratories v. Pillsbury Co.*, 452 F.2d 621, 624 (7th Cir. 1971). Colt's failure to make the required disclosures not only invalidates its patents but also its present claims of trade secrecy. The licensing agreements themselves can stand in no better stead without undermining the purposes of the patent laws.

The cases cited by Colt are deemed inapposite. *E.g., American Can Co. v. Mansukhani*, 728 F.2d 818 (7th Cir. 1984); *Syntex Ophthalmics, Inc. v. Tsuetaki*, 701 F.2d 677 (7th Cir. 1983); *E.I.M. Co. v. Philadelphia Gear Works, Inc.*, 102 F.Supp. 14 (S.D. Tex. 1951), *aff'd* 205 F.2d 28 (5th Cir. 1953). None of those cases involved a situation such as this in which

the claimed trade secrecy information had been withheld from disclosure by the patentee in violation of §112.

Little need be said about Colt's cross-motion for summary judgment. As the court said in *First National Bank v. Insurance Company of North America*, 606 F.2d 760, 766 (7th Cir. 1979), the moving party must present admissible evidence showing its entitlement to judgment, not just contentions, assertions of counsel, or hearsay. It cannot be found that Colt has met that burden.

Plaintiffs' motion for summary judgment must be allowed as to liability on Counts I and II, and Colt's cross-motion for summary judgment must be denied.

IT IS ORDERED, therefore, that plaintiffs' motion for summary judgment is ALLOWED as to liability on Counts I and II of the Complaint, and defendant's motion for summary judgment is DENIED.

IT IS FURTHER ORDERED that plaintiffs shall submit to the court and serve on defendant, within 30 days hereafter, its proposed final judgment order on liability, which shall be consistent with this opinion, on which the defendant shall file and serve any comments as to form within 10 days after service.

/s/ Robert D. Morgan
United States District Judge

Entered: May 24, 1985

APPENDIX D

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States* v. *Detroit Lumber Co.*, 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

Syllabus

CHRISTIANSON ET AL. *v.* COLT INDUSTRIES OPERATING CORP.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

No. 87–499. Argued April 18, 1988—Decided June 17, 1988

The principal statutes involved in this case, which arises from a jurisdictional dispute between Courts of Appeals, are 28 U. S. C. § 1295(a)(1)—granting the Federal Circuit exclusive jurisdiction over an appeal from a final decision of a federal district court "if the jurisdiction of that court was based, in whole or in part, on" 28 U. S. C. § 1338—and § 1338(a), which grants the district courts original jurisdiction of any civil action "arising under" any federal statute relating to patents. Respondent (Colt), which is the leading manufacturer, seller, and marketer of "M16" rifles and their parts and accessories, held and developed patents relating to the rifle, and has maintained the secrecy as to specifications essential to the mass production of interchangeable M16 parts. Petitioner Christianson, a former Colt employee, established a corporation (also a petitioner), and began selling M16 parts. Colt joined petitioners with other defendants in a patent-infringement lawsuit, but ultimately voluntarily dismissed its claims against petitioners. In the meantime, Colt notified several of petitioners' current and potential customers that petitioners were illegally misappropriating Colt's trade secrets, and urged them to refrain from doing business with petitioners. Petitioners then brought this antitrust action against Colt in Federal District Court for violations of §§ 1 and 2 of the Sherman Act. The complaint alleged, *inter alia*, that Colt's letters, litigation tactics, and other conduct drove petitioners out of business. Petitioners later amended the complaint to assert a second cause of action under state law for tortious interference with their business relationships. Colt asserted a defense that its conduct was justified by a need to protect its trade secrets and countersued on a variety of claims arising out of petitioners' alleged misappropriation of M16 patent specifications. Petitioners filed a motion for summary

judgment raising a patent-law issue—related to the validity of Colt's patents—to which the complaint only obliquely hinted. The District Court awarded petitioners summary judgment as to liability on both the antitrust and the tortious-interference claims. On Colt's appeal, the Court of Appeals for the Federal Circuit held that it lacked jurisdiction and transferred the appeal to the Court of Appeals for the Seventh Circuit. The Seventh Circuit, however, raising the jurisdictional issue *sua sponte*, concluded that the Federal Circuit was "clearly wrong" and transferred the case back. The Federal Circuit, although concluding that the Seventh Circuit's jurisdictional decision was "clearly wrong," addressed the merits in the "interest of justice," and reversed the District Court.

Held:

1. The Court of Appeals for the Federal Circuit would not have jurisdiction of the appeal of a final judgment in this case under 28 U. S. C. § 1295(a)(1), since the action is not one "arising under" the patent statutes for purposes of § 1338(a). Pp. 4–10.

(a) In order to demonstrate that a case is one "arising under" federal patent law the plaintiff must set up some right, title, or interest under the patent laws, or at least make it appear that some right or privilege will be defeated by one construction, or sustained by the opposite construction, of those laws. Section 1338 jurisdiction extends only to those cases in which a well-pleaded complaint establishes either that federal patent law creates the cause of action or that the plaintiff's right to relief necessarily depends on resolution of a substantial question of federal patent law, in that patent law is a necessary element of one of the well-pleaded claims. A case raising a federal patent-law defense does not, for that reason alone, "arise under" patent law, even if the defense is anticipated in the complaint, and even if both parties admit that the defense is the only question truly at issue in the case. Nor is it necessarily sufficient that a well-pleaded claim alleges a single theory under which resolution of a patent-law question is essential. If on the face of a well-pleaded complaint there are reasons completely unrelated to the provisions and purposes of the patent laws why the plaintiff may or may not be entitled to the relief it seeks, then the claim does not "arise under" those laws. Pp. 5–7.

(b) Petitioners' antitrust count can readily be understood to encompass both a monopolization claim under § 2 of the Sherman Act and a group-boycott claim under § 1. The patent-law issue, while arguably necessary to at least one theory under each claim, is not necessary to the overall success of either claim. Even assuming, without deciding, that the validity of Colt's patents is an essential element of petitioners' monopolization theory rather than merely an argument in anticipation of

a defense, the well-pleaded complaint rule focuses on claims, not theories, and just because an element that is essential to a particular theory might be governed by federal patent law does not mean that the entire monopolization claim "arises under" patent law. Examination of the complaint reveals that the monopolization theory (on which petitioners ultimately prevailed in the District Court) is only one of several involved, and the only one for which the patent law issue is even arguably essential. Since there are reasons completely unrelated to the provisions and purposes of federal patent law why petitioners may or may not be entitled to the relief sought under their monopolization claim, the claim does not "arise under" federal patent law. The same analysis obtains as to petitioners' group-boycott claim under § 1 of the Sherman Act. Pp. 7–10.

2. Nor does reference to congressional policy compel a finding of Federal Circuit jurisdiction. One of Congress' objectives in creating the Federal Circuit was to reduce the lack of uniformity and uncertainty of legal doctrine in the administration of patent law. Although arguably Congress' goals might be better served if the Federal Circuit's jurisdiction were to be fixed by reference to the case actually litigated, nevertheless, Congress determined the relevant focus when it granted Federal Circuit jurisdiction on the basis of the district courts' jurisdiction. Since the latter courts' jurisdiction is determined by reference to the well-pleaded complaint, not the well-tried case, the referent for the Federal Circuit's jurisdiction must be the same. The legislative history of the Federal Circuit's jurisdictional provisions confirms that focus. P. 11.

3. Federal Circuit jurisdiction here cannot be based on Federal Rule of Civil Procedure 15(b) by deeming the complaint amended to encompass a new and independent cause of action—an implied cause of action under the patent laws. Even assuming that a court of appeals could furnish itself a jurisdictional basis under such theory, there is simply no evidence of any "express or implied consent" among the parties, as required by the Rule, to litigate a new patent-law claim. Although the summary judgment papers focused almost entirely on patent-law issues that petitioners deemed fundamental to the lawsuit, those issues fell squarely within the purview of the theories of recovery, defenses, and counterclaims that the pleadings already encompassed. Pp. 11–13.

4. There is no merit to the contention that the Federal Circuit was obliged to adopt the Seventh Circuit's analysis of the jurisdictional issue as the law of the case. The law-of-the-case doctrine applies as much to the decisions of a coordinate court in the same case as to a court's own decisions, and the policies supporting the doctrine apply with even greater force to transfer decisions than to decisions of substantive law.

Syllabus

However, the Federal Circuit, in transferring the case to the Seventh Circuit, was the first to decide the jurisdictional issue. That the Federal Circuit did not explain its rationale is irrelevant. Thus, the law of the case was that the Seventh Circuit had jurisdiction, and it was the Seventh Circuit that departed from the law of the case. Moreover, the doctrine merely expresses the practice of courts generally to refuse to reopen what has been decided, not a limit on their power. Thus, even if the Seventh Circuit's decision was law of the case, the Federal Circuit did not exceed its power in revisiting the jurisdictional issue, and once it concluded that the prior decision was "clearly wrong" it was obliged to decline jurisdiction. Most importantly, law of the case cannot bind this Court in reviewing decisions below. Pp. 13–15.

5. The Federal Circuit, after concluding that it lacked jurisdiction, erred in deciding to reach the merits anyway "in the interest of justice." Courts created by statute only have such jurisdiction as the statute confers. Upon concluding that it lacked jurisdiction, the Federal Circuit had authority, under 28 U. S. C. § 1631, to make a single decision—whether to dismiss the case or, "in the interest of justice," to transfer it to a court of appeals that has jurisdiction. The rule that a court may not in any case, even in the interest of justice, extend its jurisdiction where none exists has always worked injustice in particular cases—especially in the situation where, as here, the litigants are bandied back and forth between two courts, each of which insists that the other has jurisdiction. Such situations inhere in the very nature of jurisdictional lines, for few jurisdictional lines can be so finely drawn as to leave no room for disagreement on close cases. However, the courts of appeals should achieve the end of quick settlement of questions of transfer by adhering strictly to principles of law of the case. Under those principles, if the transferee court can find the transfer decision plausible, its jurisdictional inquiry is at an end. Pp. 15–17.

822 F. 2d 1544, vacated and remanded.

BRENNAN, J., delivered the opinion for a unanimous Court. STEVENS, J., filed a concurring opinion, in which BLACKMUN, J., joined.

NOTICE: This opinion is subject to formal revision before publication in the preliminary print of the United States Reports. Readers are requested to notify the Reporter of Decisions, Supreme Court of the United States, Washington, D. C. 20543, of any typographical or other formal errors, in order that corrections may be made before the preliminary print goes to press.

SUPREME COURT OF THE UNITED STATES

No. 87–499

CHARLES R. CHRISTIANSON, ET AL., PETITIONERS
v. COLT INDUSTRIES OPERATING CORP.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

[June 17, 1988]

JUSTICE BRENNAN delivered the opinion of the Court.

This case requires that we decide a peculiar jurisdictional battle between the Court of Appeals for the Federal Circuit and the Court of Appeals for the Seventh Circuit. Each court has adamantly disavowed jurisdiction over this case. Each has transferred the case to the other. And each insists that the other's jurisdictional decision is "clearly wrong." 798 F. 2d 1051, 1056–1057 (CA7 1986); 822 F. 2d 1544, 1551, n. 7 (CA Fed. 1987). The parties therefore have been forced to shuttle their appeal back and forth between Chicago and the District of Columbia in search of a hospitable forum, ultimately to have the merits decided, after two years, by a Court of Appeals that still insists it lacks jurisdiction to do so.

I

Respondent Colt Industries Operating Corp. is the leading manufacturer, seller, and marketer of "M16" rifles and their parts and accessories. Colt's dominant market position dates back to 1959, when it acquired a license for 16 patents to manufacture the M16's precursor. Colt continued to develop the rifle, which the United States Army adopted as its standard assault rifle, and patented additional improvements. Through various devices, Colt has also maintained a shroud of secrecy around certain specifications essential to the mass production of interchangeable M16 parts. For ex-

ample, Colt's patents conceal many of the manufacturing specifications that might otherwise be revealed by its engineering drawings, and when Colt licenses others to manufacture M16 parts or hires employees with access to proprietary information, it contractually obligates them not to disclose specifications.

Petitioner Christianson is a former Colt employee who acceded to such a nondisclosure agreement. Upon leaving respondent's employ in 1975, Christianson established petitioner International Trade Services, Inc. (ITS), and began selling M16 parts to various customers domestically and abroad. Petitioners' business depended on information that Colt considers proprietary. Colt expressly waived its proprietary rights at least as to some of petitioners' early transactions. The precise scope of Colt's waiver is a matter of considerable dispute. In 1983, however, Colt joined petitioners as defendants in a patent-infringement lawsuit against two companies that had arranged a sale of M16s to El Salvador. Evidence suggested that petitioners supplied the companies with certain M16 specifications, and Colt sought a court order enjoining petitioners from any further disclosures. When the District Court declined the motion, Colt voluntarily dismissed its claims against petitioners. In the meantime, Colt notified several of petitioners' current and potential customers that petitioners were illegally misappropriating Colt's trade secrets, and urged them to refrain from doing business with petitioners.

Three days after their dismissal from the lawsuit, petitioners brought this lawsuit in the District Court against Colt "pursuant to Section 4 . . . (15 U. S. C. § 15) and Section 16 of the Clayton Act (15 U. S. C. § 26) for damages, injunctive and equitable relief by reason of its violations of Sections 1 and 2 of the Sherman Act (15 U. S. C. §§ 1 & 2) . . . ." App. 7. The complaint alleged that Colt's letters, litigation tactics, and "[o]the[r] . . . conduct" drove petitioners out of busi-

ness. In that context, petitioners included the following obscure passage:

> "18. The validity of the Colt patents had been assumed throughout the life of the Colt patents through 1980. Unless such patents were invalid through the wrongful retention of proprietary information in contravention of United States Patent Law (35 U. S. C. § 112), in 1980, when such patents expired, anyone 'who has ordinary skill in the rifle-making art' is able to use the technology of such expired patents for which Colt earlier had a monopoly position for 17 years.
>
> "19. ITS and anyone else has the right to manufacture, contract for the manufacture, supply, market and sell the M–16 and M–16 parts and accessories thereof at the present time." App. 9.

Petitioners later amended their complaint to assert a second cause of action under state law for tortious interference with their business relationships. Colt interposed a defense that its conduct was justified by a need to protect its trade secrets and countersued on a variety of claims arising out of petitioners' alleged misappropriation of M16 specifications.

Petitioners' motion for summary judgment raised only a patent-law issue obliquely hinted at in the above-quoted paragraphs—that Colt's patents were invalid from their inception for failure to disclose sufficient information to "enable any person skilled in the art . . . to make and use the same" as well as a description of "the best mode contemplated by the inventor of carrying out his invention." 35 U. S. C. § 112. Since Colt benefited from the protection of the invalid patents, the argument continues, the "trade secrets" that the patents should have disclosed lost any state-law protection. Petitioners therefore argued that the District Court should hold that "Colt's trade secrets are invalid and that [their] claim of invalidity shall be taken as established with respect to all claims and counterclaims to which said issue is material." App. 58.

The District Court awarded petitioners summary judgment as to liability on both the antitrust and the tortious-interference claims, essentially relying on the § 112 theory articulated above. In the process, the District Court invalidated nine of Colt's already-expired patents, declared all trade secrets relating to the M16 unenforceable, enjoined Colt from enforcing "any form of trade secret right in any technical information relating to the M16," and ordered Colt to disgorge to petitioners all such information. 613 F. Supp. 330, 332 (CD Ill. 1985).

Respondent appealed to the Court of Appeals for the Federal Circuit, which, after full briefing and argument, concluded that it lacked jurisdiction and issued an unpublished order transferring the appeal to the Court of Appeals for the Seventh Circuit. See 28 U. S. C. § 1631. The Seventh Circuit, however, raising the jurisdictional issue *sua sponte*, concluded that the Federal Circuit was "clearly wrong" and transferred the case back. 798 F. 2d, at 1056–1057, 1062. The Federal Circuit, for its part, adhered to its prior jurisdictional ruling, concluding that the Seventh Circuit exhibited "a monumental misunderstanding of the patent jurisdiction granted this court," 822 F. 2d, at 1547, and was "clearly wrong," *id.*, at 1551, n. 7. Nevertheless, the Federal Circuit proceeded to address the merits in the "interest of justice," *id.*, at 1559–1560, and reversed the District Court. We granted certiorari, 484 U. S. —— (1987), and now vacate the judgment of the Federal Circuit.

II

As relevant here, 28 U. S. C. § 1295(a)(1) grants the Court of Appeals for the Federal Circuit exclusive jurisdiction over "an appeal from a final decision of a district court of the United States . . . if the jurisdiction of that court was based, in whole or in part, on [28 U. S. C.] section 1338 . . . ."[1]

[1] Colt's appeal to the Federal Circuit actually invoked 28 U. S. C. §§ 1292(a)(1) and (c)(1), which together grant the Federal Circuit exclusive

Section 1338(a), in turn, provides in relevant part that "[t]he district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents . . . ." Thus, the jurisdictional issue before us turns on whether this is a case "arising under" a federal patent statute, for if it is then the jurisdiction of the District Court was based at least "in part" on section 1338.

A

In interpreting § 1338's precursor, we held long ago that in order to demonstrate that a case is one "arising under" federal patent law "the plaintiff must set up some right, title or interest under the patent laws, or at least make it appear that some right or privilege will be defeated by one construction, or sustained by the opposite construction of these laws." *Pratt* v. *Paris Gas Light & Coke Co.*, 168 U. S. 255, 259 (1897). See *Henry* v. *A.B. Dick Co.*, 224 U. S. 1, 16 (1912). Our cases interpreting identical language in other jurisdictional provisions, particularly the general federal-question provision, 28 U. S. C. § 1331 ("The district courts shall have original jurisdiction of all civil actions arising under the Constitution, laws, or treaties of the United States"), have quite naturally applied the same test.[2] See *Gully* v. *First Na-*

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jurisdiction over appeals from interlocutory orders "granting, continuing, modifying, refusing or dissolving [an] injunctio[n]," § 1292(a)(1), "in any case over which the court would have jurisdiction over an appeal under section 1295," § 1292(c)(1).

[2] Colt correctly points out that in this case our interpretation of § 1338's "arising under" language will merely determine which of two federal appellate courts will decide the appeal, and suggests that our "arising under" jurisprudence might therefore be inapposite. Since, however, § 1338 delineates the jurisdiction of the federal and state courts over cases involving patent issues, the phrase (like the identical phrase in § 1331) "masks a welter of issues regarding the interrelation of federal and state authority and the proper management of the federal judicial system." See *Franchise Tax Board of California* v. *Construction Laborers Vacation Trust*, 463 U. S. 1, 8 (1983) (footnote omitted). See also *Merrell Dow Pharmaceuticals Inc.* v. *Thompson*, 478 U. S. 804, 810 (1986) ("[D]eterminations about

tional Bank in Meridian, 299 U. S. 109, 112 (1936) (the claim alleged in the complaint "must be such that it will be supported if the Constitution or laws of the United States are given one construction or effect, and defeated if they receive another") (citations omitted). A district court's federal-question jurisdiction, we recently explained, extends over "only those cases in which a well-pleaded complaint establishes either that federal law creates the cause of action or that the plaintiff's right to relief necessarily depends on resolution of a substantial question of federal law," *Franchise Tax Board of California* v. *Construction Laborers Vacation Trust*, 463 U. S. 1, 27–28 (1983), in that "federal law is a necessary element of one of the well-pleaded . . . claims," *id.*, at 13. Linguistic consistency, to which we have historically adhered, demands that § 1338 jurisdiction likewise extend only to those cases in which a well-pleaded complaint establishes either that federal patent law creates the cause of action or that the plaintiff's right to relief necessarily depends on resolution of a substantial question of federal patent law, in that patent law is a necessary element of one of the well-pleaded claims. See 822 F. 2d, at 1553–1556; 798 F. 2d, at 1059–1061.

The most superficial perusal of petitioners' complaint establishes, and no one disputes, that patent law did not in any sense create petitioners' antitrust or intentional-interference claims. Since no one asserts that federal jurisdiction rests on petitioners' state-law claims, the dispute centers around whether patent law "is a necessary element of one of the well-pleaded [antitrust] claims." See *Merrell Dow Pharmaceuticals Inc.* v. *Thompson*, 478 U. S. 804, 813 (1986). Our cases, again mostly in the § 1331 context, establish principles for both defining the "well-pleaded . . . claims" and discerning which elements are "necessary" or "essential" to them. Under the well-pleaded complaint rule, as appropriately

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federal jurisdiction require sensitive judgments about congressional intent, judicial power, and the federal system").

adapted to § 1338, whether a claim "arises under" patent law "'must be determined from what necessarily appears in the plaintiff's statement of his own claim in the bill or declaration, unaided by anything alleged in anticipation or avoidance of defenses which it is thought the defendant may interpose.'" *Franchise Tax Board*, *supra*, at 10 (quoting *Taylor* v. *Anderson*, 234 U. S. 74, 75–76 (1914)). See *Louisville & Nashville R. Co.* v. *Mottley*, 211 U. S. 149 (1908). Thus, a case raising a federal patent-law defense does not, for that reason alone, "arise under" patent law, "even if the defense is anticipated in the plaintiff's complaint, and even if both parties admit that the defense is the only question truly at issue in the case." *Franchise Tax Board*, *supra*, at 14.[3] See also *Merrell Dow*, *supra*, at 808.

Nor is it necessarily sufficient that a well-pleaded claim alleges a single theory under which resolution of a patent-law question is essential. If "on the face of a well-pleaded complaint there are . . . reasons completely unrelated to the provisions and purposes of [the patent laws] why the [plaintiff] may or may not be entitled to the relief it seeks," *Franchise Tax Board*, 463 U. S., at 26 (footnote omitted), then the claim does not "arise under" those laws. See *id.*, at 26, n. 29. Thus, a claim supported by alternative theories in the complaint may not form the basis for § 1338 jurisdiction unless patent law is essential to each of those theories.

B

Framed in these terms, our resolution of the jurisdictional issue in this case is straightforward. Petitioners' antitrust

[3] On the other hand, merely because a claim makes no reference to federal patent law does not necessarily mean the claim does not "arise under" patent law. Just as "a plaintiff may not defeat removal by omitting to plead necessary federal questions in a complaint," *Franchise Tax Board*, *supra*, at 22 (citations omitted); see *Federated Department Stores, Inc.* v. *Moitie*, 452 U. S. 394, 397, n. 2 (1981); *id.*, at 408, n. 3 (BRENNAN, J., dissenting), so a plaintiff may not defeat § 1338 jurisdiction by omitting to plead necessary federal patent law questions.

count can readily be understood to encompass both a monopolization claim under § 2 of the Sherman Act and a group-boycott claim under § 1. The patent-law issue, while arguably necessary to at least one theory under each claim, is not necessary to the overall success of either claim.

Section 2 of the Sherman Act condemns "[e]very person who shall monopolize, or attempt to monopolize . . . ." 15 U. S. C. § 2. The thrust of petitioners' monopolization claim is that Colt has "embarked on a course of conduct to illegally extend its monopoly position with respect to the described patents and to prevent ITS from engaging in any business with respect to parts and accessories of the M–6." App. 10. The complaint specifies several acts, most of which relate either to Colt's prosecution of the lawsuit against petitioners or to letters Colt sent to petitioners' potential and existing customers. To make out a § 2 claim, petitioners would have to present a theory under which the identified conduct amounted to a "willful acquisition or maintenance of [monopoly] power as distinguished from growth or development as a consequence of a superior product, business acumen, or historic accident." *United States* v. *Grinnell Corp.*, 384 U. S. 563, 570–571 (1966). Both the Seventh Circuit and Colt focus entirely on what they perceive to be "the only basis Christianson asserted in the complaint for the alleged antitrust violation," 798 F. 2d, at 1061; see Brief for Respondent 32—namely that Colt made false assertions in its letters and pleadings that petitioners were violating its trade secrets, when those trade secrets were not protected under state law because Colt's patents were invalid under § 112. Thus, Colt concludes, the validity of the patents is an essential element of petitioners' prima facie monopolization theory and the case "arises under" patent law.

We can assume without deciding that the invalidity of Colt's patents is an essential element of the foregoing monopolization theory rather than merely an argument in anticipation of a defense. But see 822 F. 2d, at 1547. The well-

pleaded complaint rule, however, focuses on claims, not theories, see *Franchise Tax Board*, 463 U. S., at 26, and n. 29; *Gully*, 299 U. S., at 117, and just because an element that is essential to a particular theory might be governed by federal patent law does not mean that the entire monopolization claim "arises under" patent law.

Examination of the complaint reveals that the monopolization theory that Colt singles out (and on which petitioners ultimately prevailed in the District Court) is only one of several, and the only one for which the patent law issue is even arguably essential. So far as appears from the complaint, for example, petitioners might have attempted to prove that Colt's accusations of trade-secret infringement were false not because Colt had no trade secrets, but because Colt authorized petitioners to use them. App. 9–10 ("Contrary to the permission extended to ITS to sell Colt parts and accessories and in violation of the anti-trust laws . . . Colt has embarked upon a course of conduct . . . to prevent ITS from engaging in any business with respect to parts and accessories of the M–16"). In fact, most of the conduct alleged in the complaint could be deemed wrongful quite apart from the truth or falsity of Colt's accusations. According to the complaint, Colt's letters also (1) contained "copies of inapplicable court orders" and "suggest[ed] that these court orders prohibited [the recipients] from doing business with" petitioners; and (2) "falsely stat[ed] that 'Colt's right' to proprietary data had been 'consistently upheld in various courts.'" *Id.*, at 10. Similarly, the complaint alleges that Colt's lawsuit against petitioners (1) was designed "to contravene the permission previously given"; (2) was "[p]ursued . . . in bad faith by subjecting [petitioners] to substantial expense in extended discovery procedures"; and (3) was brought only to enable Colt "to urge customers and potential customers of [petitioners] to refrain from doing business with them." *Id.*, at 10–11. Since there are "reasons completely unrelated to the provisions and purposes" of federal patent law why petitioners

"may or may not be entitled to the relief [they] see[k]" under their monopolization claim, *Franchise Tax Board*, *supra*, at 26 (footnote omitted), the claim does not "arise under" federal patent law.

The same analysis obtains as to petitioners' group-boycott claim under § 1 of the Sherman Act, which provides that "[e]very contract, combination . . . , or conspiracy, in restraint of trade or commerce . . . is declared to be illegal," 15 U. S. C. § 1. This claim is set forth in the allegation that "virtually all suppliers of ITS and customers of ITS have agreed with Colt to refrain from supplying and purchasing M–16 parts and accessories to or from ITS, which has had the effect of requiring ITS to close its doors and no longer transact business." App. 11. As this case unfolded, petitioners attempted to prove that the alleged agreement was unreasonable because its purpose was to protect Colt's trade secrets from petitioners' infringement and, given the patents' invalidity under § 112, Colt had no trade secrets to infringe. Whether or not the patent-law issue was an "essential" element of that group-boycott *theory*, however, petitioners could have supported their group-boycott *claim* with any of several theories having nothing to do with the validity of Colt's patents. Equally prominent in the complaint, for example, is a theory that the alleged agreement was unreasonable not because Colt had no trade secrets to protect, but because Colt authorized petitioners to use them. Once again, the appearance on the complaint's face of an alternative, nonpatent theory compels the conclusion that the group-boycott claim does not "arise under" patent law.

III

Colt offers three arguments for finding jurisdiction in the Federal Circuit, notwithstanding the well-pleaded complaint rule. The first derives from congressional policy; the second is based on Federal Rule of Civil Procedure 15(b); and the

third is grounded in principles of the law of the case. We find none of them persuasive.

A

Colt correctly observes that one of Congress' objectives in creating a Federal Circuit with exclusive jurisdiction over certain patent cases was "to reduce the widespread lack of uniformity and uncertainty of legal doctrine that exist[ed] in the administration of patent law." H. R. Rep. No. 97–312, p. 23 (1981). Colt might be correct (although not clearly so) that Congress' goals would be better served if the Federal Circuit's jurisdiction were to be fixed "by reference to the case actually litigated," rather than by an *ex ante* hypothetical assessment of the elements of the complaint that might have been dispositive. Brief for Respondent 31. Congress determined the relevant focus, however, when it granted jurisdiction to the Federal Circuit over "an appeal from . . . a district court . . . if the jurisdiction of *that court* was based . . . on section 1338." 28 U. S. C. § 1295(a)(1) (emphasis added). Since the district court's jurisdiction is determined by reference to the well-pleaded complaint, not the well-tried case, the referent for the Federal Circuit's jurisdiction must be the same. The legislative history of the Federal Circuit's jurisdictional provisions confirms that focus. See, *e. g.*, H. R. Rep. No. 97–312, *supra*, at 41 (cases fall within the Federal Circuit's patent jurisdiction "in the same sense that cases are said to 'arise under' federal law for purposes of federal question jurisdiction"). In view of that clear congressional intent, we have no more authority to read § 1295(a)(1) as granting the Federal Circuit jurisdiction over an appeal where the well-pleaded complaint does not depend on patent law, than to read § 1338 as granting a district court jurisdiction over such a complaint. See *Pratt*, 168 U. S., at 259.

B

Colt suggests alternatively that under Federal Rule of

Civil Procedure 15(b)[4] we should deem the complaint amended to encompass a new and independent cause of action—"an implied cause of action under section 112 of the patent laws." Brief for Respondent 28. Such a cause of action, which Colt finds in petitioners' summary judgment papers, would plainly "arise under" the patent laws, regardless of its merit. See 822 F. 2d, at 1566 (Nichols, J., concurring and dissenting).

We need not decide under what circumstances, if any, a court of appeals could furnish itself a jurisdictional basis unsupported by the pleadings by deeming the complaint amended in light of the parties' "express or implied consent" to litigate a claim. Fed. Rule Civ. Proc. 15(b). In this case there is simply no evidence of any consent among the parties to litigate the new patent-law claim that Colt imputes to petitioners. Colt points to nothing in petitioners' summary judgment motion expressly raising such a new cause of action, much less anything in its own motion papers suggesting consent to one. See App. 57–58. True, the summary judgment papers focused almost entirely on the patent-law issues, which petitioners deemed "[b]asic and fundamental to the subject lawsuit." *Id.*, at 57. But those issues fell squarely within the purview of the theories of recovery, defenses, and counterclaims that the pleadings already encompassed. Petitioners recognized as much when they moved the District Court to hold that their "claim of [patent] invalidity shall be taken as established with respect to all claims and counterclaims to which said issue is material." *Id.*, at 58. Thus,

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[4] Rule 15(b) provides in relevant part:

"When issues not raised by the pleadings are tried by express or implied consent of the parties, they shall be treated in all respects as if they had been raised in the pleadings. Such amendment of the pleadings as may be necessary to cause them to conform to the evidence and to raise these issues may be made upon motion of any party at any time, even after judgment; but failure to so amend does not affect the result of the trial of these issues."

the patent-law focus of the summary judgment papers hardly heralded the assertion of a new patent-law claim. See, *e. g.*, *Quillen* v. *International Playtex, Inc.*, 789 F. 2d 1041, 1044 (CA4 1986); 6 C. Wright & A. Miller, Federal Practice and Procedure § 1493, p. 466 (1971). Moreover, the District Court never intimated that the patent issues were relevant to any cause of action other than the antitrust and intentional-interference claims raised expressly in the complaint; the court four times linked its judgment to "liability on Counts I and II," without any reference to the hypothetical Count III that Colt imputes to petitioners. 609 F. Supp. 1174, 1185 (CD Ill. 1985) See also 613 F. Supp., at 332.

C

Colt's final argument is that the Federal Circuit was obliged not to revisit the Seventh Circuit's thorough analysis of the jurisdictional issue, but merely to adopt it as the law of the case. See also 822 F. 2d, at 1565 (Nichols, J., concurring and dissenting). "As most commonly defined, the doctrine [of the law of the case] posits that when a court decides upon a rule of law, that decision should continue to govern the same issues in subsequent stages in the same case." *Arizona* v. *California*, 460 U. S. 605, 618 (1983) (dictum). This rule of practice promotes the finality and efficiency of the judicial process by "protecting against the agitation of settled issues." 1B J. Moore, J. Lucas, & T. Currier, Moore's Federal Practice ¶0.404[1], p. 118 (1984) (hereinafter Moore's).

Colt is correct that the doctrine applies as much to the decisions of a coordinate court in the same case as to a court's own decisions. See, *e. g.*, *Kori Corp.* v. *Wilco Marsh Buggies & Draglines, Inc.*, 761 F. 2d 649, 657 (CA Fed.), cert. denied, 474 U. S. 902 (1985); *Perkin-Elmer Corp.* v. *Computervision Corp.*, 732 F. 2d 888, 900–901 (CA Fed), cert. denied, 469 U. S. 857 (1984). Federal courts routinely apply law-of-the-case principles to transfer decisions of coordinate courts. See, *e. g.*, *Hayman Cash Register Co.* v. *Sarokin*,

669 F. 2d 162, 164–170 (CA3 1982) (transfer under 28 U. S. C. § 1406(a)); *Skil Corp.* v. *Millers Falls Co.*, 541 F. 2d 554, 558–559 (CA6) (alternative holding) (transfer under 28 U. S. C. § 1404(a)), cert. denied, 429 U. S. 1029 (1976); 1B Moore's ¶¶ 0.404[4.–5], 0.404[8]. Compare *Hoffman* v. *Blaski*, 363 U. S. 335, 340–341, n. 9 (1960) (res judicata principles did not limit power of Court of Appeals to reconsider transfer decision not upset by coordinate court). Indeed, the policies supporting the doctrine apply with even greater force to transfer decisions than to decisions of substantive law; transferee courts that feel entirely free to revisit transfer decisions of a coordinate court threaten to send litigants into a vicious circle of litigation. See *Hayman*, *supra*, at 169; *Chicago & N. W. Transp. Co.* v. *United States*, 574 F. 2d 926, 930 (CA7 1978). Cf. *Blaski*, *supra*, at 348–349 (Frankfurter, J., dissenting).[5]

Colt's conclusion that jurisdiction therefore lay in the Federal Circuit is flawed, however, for three reasons. First, the Federal Circuit, in transferring the case to the Seventh Circuit, was the first to decide the jurisdictional issue. That the Federal Circuit did not explicate its rationale is irrelevant, for the law of the case turns on whether a court previously "decide[d] upon a rule of law"—which the Federal Circuit necessarily did—not on whether, or how well, it explained the decision. Thus, the law of the case was that the Seventh Circuit had jurisdiction, and it was the Seventh Circuit, not the Federal Circuit, that departed from the law of the case. Second, the law-of-the-case doctrine "merely expresses the practice of courts generally to refuse to reopen what has been decided, not a limit on their power." *Messen-*

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[5] There is no reason to apply law-of-the-case principles less rigorously to transfer decisions that implicate the transferee's jurisdiction. Perpetual litigation of any issue—jurisdictional or nonjurisdictional—delays, and therefore threatens to deny, justice. But cf. *Potomac Passengers Assn.* v. *Chesapeake & Ohio R. Co.*, 171 U. S. App. D. C. 359, 363, n. 22, 520 F. 2d 91, 95, n. 22 (1975).

ger v. *Anderson*, 225 U. S. 436, 444 (1912) (Holmes, J.) (citations omitted). A court has the power to revisit prior decisions of its own or of a coordinate court in any circumstance, although as a rule courts should be loathe to do so in the absence of extraordinary circumstances such as where the initial decision was "clearly erroneous and would work a manifest injustice." *Arizona* v. *California*, *supra*, at 618, n. 8 (citation omitted). Thus, even if the Seventh Circuit's decision was law of the case, the Federal Circuit did not exceed its power in revisiting the jurisdictional issue, and once it concluded that the prior decision was "clearly wrong" it was obliged to decline jurisdiction. Most importantly, law of the case cannot bind this Court in reviewing decisions below. A petition for writ of certiorari can expose the entire case to review. *Panama R. Co.* v. *Napier Shipping Co.*, 166 U. S. 280, 283–284 (1897). Just as a district court's adherence to law of the case cannot insulate an issue from appellate review, a court of appeals' adherence to the law of the case cannot insulate an issue from this Court's review. See *Messenger*, *supra*, at 444; *Hamilton-Brown Shoe Co.* v. *Wolf Brothers & Co.*, 240 U. S. 251, 257–259 (1916).

IV

Our agreement with the Federal Circuit's conclusion that it lacked jurisdiction, compels us to disapprove of its decision to reach the merits anyway "in the interest of justice." 822 F. 2d, at 1559. "Courts created by statute can have no jurisdiction but such as the statute confers." *Sheldon* v. *Sill*, 8 How. 441, 449 (1850). See also *Firestone Tire & Rubber Co.* v. *Risjord*, 449 U. S. 368, 379–380 (1981). The statute confers on the Federal Circuit authority to make a single decision upon concluding that it lacks jurisdiction—whether to dismiss the case or, "in the interest of justice," to transfer it to a court of appeals that has jurisdiction. 28 U. S. C. § 1631.

The age-old rule that a court may not in any case, even in the interest of justice, extend its jurisdiction where none exists has always worked injustice in particular cases. Parties often spend years litigating claims only to learn that their efforts and expense were wasted in a court that lacked jurisdiction. Even more exasperating for the litigants (and wasteful for all concerned) is a situation where, as here, the litigants are bandied back and forth helplessly between two courts, each of which insists the other has jurisdiction. Such situations inhere in the very nature of jurisdictional lines, for as our cases aptly illustrate, few jurisdictional lines can be so finely drawn as to leave no room for disagreement on close cases. See, *e. g.*, *K mart Corp.* v. *Cartier, Inc.*, 485 U. S. —— (1988); *United States* v. *Hohri*, 482 U. S. —— (1987).

That does not mean, however, that every borderline case must inevitably culminate in a perpetual game of jurisdictional ping pong until this Court intervenes to resolve the underlying jurisdictional dispute, or (more likely) until one of the parties surrenders to futility. Such a state of affairs would undermine public confidence in our judiciary, squander private and public resources, and commit far too much of this Court's calendar to the resolution of fact-specific jurisdictional disputes that lack national importance. "Surely a seemly system of judicial remedies . . . regarding controverted transfer provisions of the United States Code should encourage, not discourage, quick settlement of questions of transfer . . . ." *Blaski*, *supra*, at 349 (Frankfurter, J., dissenting). The courts of appeals should achieve this end by adhering strictly to principles of law of the case. See *supra*, at ——. Situations might arise, of course, in which the transferee court considers the transfer "clearly erroneous." *Arizona* v. *California*, 460 U. S., at 618, n. 8. But as "[t]he doctrine of the law of the case is . . . a heavy deterrent to vacillation on arguable issues," 1B Moore's ¶0.404[1], at 124, such reversals should necessarily be exceptional; courts will rarely transfer cases over which they have clear jurisdiction.

and close questions, by definition, never have clearly correct answers. Under law-of-the-case principles, if the transferee court can find the transfer decision plausible, its jurisdictional inquiry is at an end. See *Fogel* v. *Chestnutt*, 668 F. 2d 100, 109 (CA2 1981) ("The law of the case will be disregarded only when the court has 'a clear conviction of error'") (citation omitted), cert. denied, 459 U. S. 828 (1982). While adherence to the law of the case will not shield an incorrect jurisdictional decision should this Court choose to grant review, see *supra*, at ——, it will obviate the necessity for us to resolve every marginal jurisdictional dispute.

We vacate the judgment of the Court of Appeals for the Federal Circuit and remand with instructions to transfer the case to the Court of Appeals for the Seventh Circuit. See 28 U. S. C. § 1631.

It is so ordered.

SUPREME COURT OF THE UNITED STATES

No. 87–499

CHARLES R. CHRISTIANSON, ET AL., PETITIONERS
v. COLT INDUSTRIES OPERATING CORP.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

[June 17, 1988]

JUSTICE STEVENS, with whom JUSTICE BLACKMUN joins, concurring.

In a seminal case construing federal-question jurisdiction, Justice Cardozo wrote that "[w]hat is needed is something of that common-sense accommodation of judgment to kaleidoscopic situations which characterizes the law in its treatment of problems of causation . . . a selective process which picks the substantial causes out of the web and lays the other ones aside." *Gully* v. *First National Bank*, 299 U. S. 109, 117–118 (1936). Although I agree with the Court's conclusion in this case that appellate jurisdiction is in the Seventh Circuit rather than the Federal Circuit, I write separately to emphasize that a common-sense application of Justice Cardozo's dictum requires that the answer to the question whether a claim arises under the patent laws may depend on the time when the question is asked. More specifically, if the question is asked at the end of a trial in order to decide whether the Federal Circuit has appellate jurisdiction, the answer may be different than if it had been asked at the outset to decide whether a federal district court has jurisdiction to try the case.

When Congress passed the Federal Courts Improvement Act in 1982 and vested exclusive jurisdiction in the Court of Appeals for the Federal Circuit to resolve appeals of claims that had arisen under the patent laws in the federal district

courts, it was responding to concerns about both the lack of uniformity in federal appellate construction of the patent laws and the forum-shopping that such divergent appellate views had generated. Nonetheless, its definition of the Federal Circuit's jurisdiction did not embrace all cases in which a district court had decided a patent-law question. Instead, it adopted a standard that requires the appellate court to decide whether the jurisdiction of the district court was based, in whole or in part, on a claim "arising under" the patent laws.[1]

The question whether a claim arises under the patent laws is similar to the question whether a claim arises under federal law. Although there is no single, precise, all-embracing definition of either body of law, the "vast majority" of cases that come within either "grant of jurisdiction are covered by Justice Holmes' statement that a 'suit arises under the law that creates the cause of action.' Thus, the vast majority of cases brought under the general federal-question jurisdiction of the federal courts are those in which federal law creates the cause of action." *Merrell Dow Pharmaceuticals Inc.* v. *Thompson*, 478 U. S. 804, 808 (1986) (citation omitted). In

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[1] Title 28 U. S. C. § 1295(a)(1) grants the Federal Circuit appellate jurisdiction over final decisions of federal district courts whose jurisdiction "was based, in whole or in part, on section 1338 of this title." Title 28 U. S. C. § 1338(a), in turn, grants the federal district courts "original jurisdiction of any civil action arising under any Act of Congress relating to patents . . . ." As the Court correctly states, *ante*, at 5–7, § 1338 jurisdiction, like § 1331 jurisdiction, is over claims, not issues. See H. R. Rep. No. 97–312, p. 41 (1981) ("Cases will be within the jurisdiction of the Court of Appeals for the Federal Circuit in the same sense that cases are said to 'arise under' federal law for purposes of federal question jurisdiction. *Contrast, Coastal States Marketing, Inc.* v. *New England Petroleum Corp.*, 604 F. 2d 179 (2d Cir., 1979) [Temporary Emergency Court of Appeals properly has jurisdiction over *issues*, not *claims*, arising under the Economic Stabilization Act]").

In this context, it is important to note that the "well-pleaded complaint" rule helps ferret out claims from issues, and says nothing about whether such separation should be made only on the basis of the original complaint.

this case it is clear that the causes of action asserted by petitioners were created by the antitrust laws and not the patent laws. Congress did not create an express cause of action to enforce § 112 of the patent laws, and I find no merit in respondent's suggestion that we should recognize an implied cause of action under § 112. Accordingly, I agree with the Court's conclusion that the issue of wrongful retention of proprietary information that became the focus of this case under § 112 of the patent laws could not confer appellate jurisdiction in the Federal Circuit, because the issue arose as a defense rather than as a claim.[2]

To the extent that Part IIIA of the Court's opinion does nothing more than abjure the notion that the Federal Circuit has jurisdiction over patent-law issues as well as claims, I am thus in complete agreement. However, in rejecting re-

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[2] Indeed, since it seems plain that no implied cause of action exists under § 112—which, after all, merely describes the nature of the specifications that must be included with a patent application—a plaintiff's attempt at gaining federal court jurisdiction through a claim arising under § 112 would be properly rejected under the "artful pleading" doctrine. See, *e. g.*, *Skelly Oil Co.* v. *Phillips Petroleum Co.*, 339 U. S. 667, 673–674 (1950) ("To sanction suits for declaratory relief as within the jurisdiction of the District Courts merely because, as in this case, artful pleading anticipates a defense based on federal law would contravene the whole trend of jurisdictional legislation by Congress, disregard the effective functioning of the federal judicial system and distort the limited procedural purpose of the Declaratory Judgment Act"); *Federated Department Stores, Inc.* v. *Moitie*, 452 U. S. 394, 397, n. 2 (1981) (District Court properly found that respondents "had attempted to avoid removal jurisdiction by 'artful[ly]' casting their 'essentially federal law claims' as state-law claims"); *Caterpillar Inc.* v. *Williams*, 482 U. S. —— , —— (1987) ("artful pleading" doctrine cannot be invoked by party attempting to justify removal on the basis of facts not alleged in the complaint); 14A C. Wright, A. Miller, & E. Cooper, Federal Practice and Procedure § 3722, pp. 266–276 (1985); see also *Merrell Dow Pharmaceuticals Inc.* v. *Thompson*, 478 U. S. 804 (1986) (incorporation of federal standard in state-law private action, when no cause of action, either express or implied, exists for violations of that federal standard, does not make the action one "arising under the Constitution, laws, or treaties of the United States").

spondent's contention that "Congress' goals would be better served if the Federal Circuit's jurisdiction were to be fixed 'by reference to the case actually litigated,' rather than by an *ex ante* hypothetical assessment of the elements of the complaint that might have been dispositive," *ante*, at 11, the Court's opinion might be read as suggesting that whether patent claims are properly before the Federal Circuit on appeal should be determined by examining only the initial complaint and not by ascertaining whether a patent claim in fact was litigated in the case. Such an approach would assume that whether a case "arises under" the patent laws turns on the same considerations whether one is determining the Federal Circuit's appellate jurisdiction or a federal district court's original jurisdiction. But although 28 U. S. C. § 1338(a) provides the basis for both types of jurisdictional assessment, I think it clear that Congress could not have intended precisely the same analysis in both instances. Two simple examples will illustrate the point.

If a patentee should file a two-count complaint seeking damages (1) under the antitrust laws and (2) for patent infringement, the district court's jurisdiction would unquestionably be based, at least in part, on § 1338(a). If, however, pretrial discovery convinced the plaintiff that no infringement had occurred, and count 2 was therefore dismissed voluntarily in advance of trial, the case that would actually be litigated would certainly not arise under the patent laws for purposes of appellate jurisdiction. Even though the district court's original jurisdiction when the complaint was filed had been based, in part, on § 1338(a), the case would no longer be one arising under the patent laws for purposes of Federal Circuit review when the district court's judgment was entered. Conversely, if an original complaint alleging only an antitrust violation should be amended after discovery to add a patent-law claim, and if the plaintiff should be successful in proving that its patent was valid and infringed but unsuccessful in proving any basis for recovery under the antitrust laws, the district court's judgment would sustain a claim arising

under the patent laws even though the complaint initially invoking its jurisdiction had not mentioned it, and an appeal would properly lie in the Federal Circuit.

Whether the complaint is actually amended, as in the previous example, or constructively amended to conform to the proof, see Fed. Rule Civ. Proc. 15(b),[3] Congress' goal of ensuring that appeals of patent-law claims go to the Federal Circuit would be thwarted by determining that court's appellate jurisdiction only through an examination of the complaint as initially filed. That approach would enable an unscrupulous plaintiff to manipulate appellate court jurisdiction by the timing of the amendments to its complaint. The Court expressly leaves open the question whether a constructive amendment could provide the foundation for Federal Circuit patent law jurisdiction, see *ante*, at 12,[4] and says nothing on the subject whether actual amendments to the complaint can so suffice. But since respondent has asked us to rule in its favor on the ground that petitioners' complaint added a patent-law claim through constructive amendment, I think we should make it perfectly clear that even though respondent's approach to the jurisdictional question is sound, its application of that approach to this case fails because the claim that was actually litigated did not arise under the patent laws. Nevertheless, since what the Court has written is not inconsistent with this view, I join its opinion.

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[3] "Rule 15. Amended and Supplemental Pleadings.

"**(b) Amendments to Conform to the Evidence.** When issues not raised by the pleadings are tried by express or implied consent of the parties, they shall be treated in all respects as if they had been raised in the pleadings. Such amendment of the pleadings as may be necessary to cause them to conform to the evidence and to raise these issues may be made upon motion of any party at any time, even after judgment; but failure so to amend does not affect the result of the trial of these issues. . . ."

[4] "We need not decide under what circumstances, if any, a court of appeals could furnish itself a jurisdictional basis unsupported by the pleadings by deeming the complaint amended in light of the parties' 'express or implied consent' to litigate a claim. Fed. Rule Civ. Proc. 15(b)."

APPENDIX E

United States Court of Appeals for the Federal Circuit

CHARLES R. CHRISTIANSON AND INTERNATIONAL TRADE SERVICES, INC., ETC.,	)	
Appellee,	)	
v.	)	Appeal No. 85-2644
COLT INDUSTRIES OPERATING CORP.,	)	
Appellant.	)	

DECIDED: June 25, 1987

Before MARKEY, *Chief Judge*, NICHOLS, *Senior Circuit Judge*, and BISSELL, *Circuit Judge*.

MARKEY, *Chief Judge*.

Appeal from a summary judgment of the United States District Court for the Central District of Illinois in favor of Charles R. Christianson and International Trade Services, Inc. (ITS) (Christianson). The court held Colt Industries Operating Corp. (Colt) liable under: (1) sections 4 and 16 of the Clayton Act (15 U.S.C. §§ 15, 26) and sections 1 and 2 of the Sherman Act (15 U.S.C. §§ 1, 2), because Colt asserted trade secrets the court deemed "invalid" for failure of Colt to disclose

them in nine U.S. patents the district court declared invalid for noncompliance with best mode and enablement provisions of 35 U.S.C. § 112;[1] and (2) the theory of tortious interference with contract. *Christianson v. Colt Industries Operating Corp.*, 609 F.Supp. 1174, 227 USPQ 361, *final judgment on liability*, 613 F.Supp. 330 (C.D.Ill.1985). We reverse in part, vacate in part, and remand.

Introduction

The present appeal reflects a monumental misunderstanding of the patent jurisdiction granted this court. An appeal in a pure and simple antitrust case is here solely because an issue of patent law appears in an *argument* against a *defense*. Christianson asserted rights that arise under, and only under, antitrust law. Colt's defense is its trade-secret rights under state law. Christianson's argument against that defense is that Colt lost its secrets because it did not disclose them in its patent applications. The district court's opinion said Colt's patents were invalid. Colt requested inclusion of that view in the final judgment and brought its appeal here.

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[1] The nine U.S. patents declared invalid are: (1) No. 3,236,155 issued February 22, 1966, entitled "Firearm Having an Auxiliary Bolt Closure Mechanism"; (2) No. 3,292,492 issued December 20, 1966, entitled "Trigger Mechanism"; (3) No. 3,301,133 issued January 31, 1967, entitled "Mechanism For Changing Rate of Automatic Fire"; (4) No. 3,366,011 issued January 30, 1968, entitled "Buffer Assembly Having a Plurality of Inertial Masses Acting in Delayed Sequence to Oppose Bolt Rebound"; (5) No. 3,440,751 issued April 29, 1969, entitled "Firearm Box Magazine With Straightend and Intermediate Arcuate Portions"; (6) No. 3,453,762 issued July 8, 1969, entitled "Disposable Magazine Having a Protective Cover and Follower Retaining Means"; (7) No. 3,619,929 issued November 16, 1971, entitled "Magazine With Anti-Double-Feed Indentations in the Side Walls"; (8) No. 3,771,415 issued November 13, 1973, entitled "Rifle Conversion Assembly"; and (9) No. 3,977,296 issued August 31, 1976, entitled "Hydraulic Buffer Assembly For Automatic or Semiautomatic Firearm".

Background

(a) The Earlier Patent Suit

On September 2, 1983, Colt sued Springfield Armory, Inc. and Rock Island Armory, Inc. (Springfield) for patent infringement[2] and other activities. Colt sought to preliminarily enjoin performance of Springfield's contract to sell M-16-type rifles to El Salvador, alleging unauthorized use of Colt's production trade secrets. Springfield said it copied the weapon by reverse engineering. Finding that Springfield had copied Colt's production secrets, the district court granted a preliminary injunction on October 7, 1983.

Convinced that former Colt employee Christianson disclosed its secrets to Springfield, Colt added him and his company, ITS, as parties on November 23, 1983. When the court denied a preliminary injunction against Christianson and ITS, Colt dismissed its complaint against them.

On October 17, 1983, Springfield appealed to this court, but abandoned its reverse engineering theory, saying the weapon could *not* be reverse engineered. Springfield then presented the novel theory that its inability to mass produce a particular type (M-16) of *rifle* established a failure of Colt's patents on rifle *parts* to comply with 35 U.S.C. § 112 ¶ 1.

On March 20, 1984, this court affirmed, *Colt Industries Operating Corp. v. Springfield Armory, Inc.*, 732 F.2d 168 (Fed.Cir.1984) (unpublished opinion), but noted in dicta that, "Although Springfield's 35 U.S.C. § 112 arguments, particularly relating to best mode, have an appearance of validity, . . . the evidence of record is totally lacking in specifics." This court noted a distinction between a rifle and rifle parts and listed the "specifics" of evidence required (none of which appears of record here).

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[2] Colt's allegations of patent infringement were based on U.S. Patent No. 3,618,248 issued November 9, 1971, entitled "Buttstock Assembly With a Latchable Door For a Compartment Formed Therein", and three patents listed in note 1, *supra*, as numbers (4), (5), and (7).

(b) This Antitrust Suit[3]

On May 14, 1984, Christianson filed an inartful complaint against Colt "pursuant to Section 4 ... (15 U.S.C. § 15) and Section 16 of the Clayton Act (15 U.S.C. § 26) for damages, injunctive and equitable relief by reason of its violation of Sections 1 and 2 of the Sherman Act (15 U.S.C. §§ 1 & 2), as hereinafter alleged." (Complaint ¶ 1, JA at 39).

After alleging that Colt controlled "nearly 100%" of the market for M-16 rifles and parts, acquired patents in "the late 1950's" and "early 1960's," and granted licenses extending beyond the life of its patents, Christianson inserted this disjointed statement in Count I of the complaint:

> 18. The validity of the Colt patents had been assumed throughout the life of the Colt patents through 1980. Unless such patents were invalid through the wrongful retention of proprietary information in contravention of United States Patent Law (35 U.S.C. §112), in 1980, when such patents expired, anyone "who has ordinary skill in the rifle-making art" is able to use the technology of such expired patents for which Colt earlier had a monopoly position for 17 years.

Count I continued with allegations that Colt gave and withdrew permission for ITS to make and sell M-16 parts, and drove ITS out of business by threats to suppliers and customers and by joinder and dismissal of ITS in *Springfield*.

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[3] On June 27, 1984, the district court consolidated the patent and antitrust suits for discovery and trial under Fed.R.Civ.P. 42(a). On August 1, 1984, the district court ordered that discovery in the former could be used in the latter. On September 5, 1984, the patent suit was settled on terms set forth in a Consent Judgment and an ancillary agreement. Under that judgment, Springfield was permanently enjoined from selling M-16 rifles to El Savador and from using Colt's proprietary drawings and information in the manufacture or sale of M-16 rifles, *unless* Colt were later determined to have lost its trade secret rights.

On October 19, 1984, Christianson added a count II, alleging tortious interference with Christianson's business relationships.

In its answer to paragraph 18, Colt said it "admits that Colt's patents are valid until the end of their respective lifetimes" and admitted that "anyone with ordinary skill in the art is entitled to and is able to use any and all of Colt's expired patents for any legitimate purpose."[4]

Colt counterclaimed, alleging jurisdiction under 28 U.S.C. §§1331, 1332(a), 1338 (trademark infringement), 15 U.S.C. §1121, Fed. R. Civ. P. 13, pendent and ancillary jurisdiction, and that Christianson: (a) improperly obtained and used Colt's confidential information, proprietary drawings, and other trade secrets pertaining to its production of M-16 rifles; (b) breached contractual duties; (c) tortiously interfered with Colt's contracts; and (d) willfully violated section 43(a) of the Lanham Act (15 U.S.C. §1125(a)) and Illinois state law by falsely designating its products.

Christianson answered Colt's counterclaims, substantially repeating paragraph 18, *supra*, of Count I, and alleging that Colt fraudulently procured its patents by concealing "patent technology" and is now asserting that "technology" as trade secrets and thereby extending the patent grant.

Christianson's motion for summary judgment sought only a declaration that Colt's trade secrets were invalid. It stated, "(b)asic and fundamental to the subject lawsuit is whether or not at any of the times described in the complaint and counterclaims (Colt) possessed and was entitled to maintain as exclusive proprietary rights its claimed trade secrets with respect to the M-16 rifle and rifle parts," and that "none of these trade secrets were (sic) valid (sic) as a matter of law."

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[4] Colt apparently meant that its patents "had been" valid (patents issued in the "late 1950's" and "early 1960's" were expired in 1984 when Christianson's complaint was filed), and that anyone is entitled to use the *information* in its expired patents (the important but sole purpose of an expired patent, which has no further exclusionary use *as a patent*).

(c) District Court Opinion

Focusing on 35 U.S.C. §112, the district court granted Christianson's motion on Counts I and II and denied Colt's cross-motion. 609 F. Supp. 1174, 227 USPQ 361. The district court said "(t)he thrust of (Christianson's) motion is the position that Colt cannot assert its claim of trade secrecy against (Christianson) because it had, in its now-expired patents, failed to make the full disclosures of its claims of invention as required by 35 U.S.C. §112," *id.* at 1176, 227 USPQ at 362; "(t)he disclosures made by Colt satisfied neither the enablement nor best mode requirements of 35 U.S.C. §112," *id.* at 1178, 227 USPQ at 363, and that each of Colt's "patents was invalid from its inception and that any claim of trade secrecy as to the nondisclosed information is likewise invalid," *id.* at 1184, 227 USPQ at 367. The district court said this court's dicta in *Springfield*:

> can and should be accepted as the statement of a recognition by (the Federal Circuit) that possibly serious issues of Colt's compliance with Section 112 could exist, subject to substantiation by adequate evidence. To that extent, and to that extent only, that statement does have a bearing on the issues now before this court.

Id. at 1177, 227 USPQ at 363.

Instructed to prepare a final judgment and order, the parties proposed, and the court's final judgment and order included, numerous matters never presented to the court. It was during this process that Colt requested a holding that its own patents, as stated in the court's opinion, were invalid.

On July 19, 1985, the district court entered its "Final Judgment on Liability" which stated:

> Patent infringement is not an issue in this case. This court has jurisdiction over the subject matter of this action and the parties before it under 28 U.S.C. §1332 and 15 U.S.C. §§4, 15 and 26. Venue in this district is proper under 28 U.S.C. §1391(b) and (c) and 15 U.S.C. §15.

613 F. Supp. 330, 331.

The district court ordered: (a) a trial on damages and a hearing on attorney fees; (b) Colt's nine patents are invalid from inception; (c) Colt's rights in its secrets on production of the M-16 rifle are void and unenforceable; (d) Colt is enjoined from asserting any form of trade secret in any technical information relating to production of the M-16 rifle, including any that "came into existence prior to entry of this order"; (e) Colt shall preserve until June 1, 1989 such technical information and provide it upon request to Christianson within 30 days of such request; (f) Colt may no longer designate its documents and drawings as protected trade secrets; (g) Colt shall serve this order on Christianson's suppliers and customers; (h) Colt's counterclaims alleging tortious interference with Colt's contracts are dismissed; and (j) that final judgment be entered for Christianson on Counts I and II of the complaint.[5]

The court certified under Fed. R. Civ. P. 54(b) and 28 U.S.C. §1292(b) that an appeal may materially advance the termination of the litigation and stayed the judgment and all proceedings pending appeal. Fed. R. Civ. P. 62(c).

(d) Actions of the Appellate Courts

Colt appealed here, citing 28 U.S.C. §§1292(a)(1) and 1295. On August 13, 1985, Christianson moved to transfer the appeal to the U.S. Court of Appeals for the Seventh Circuit under 28 U.S.C. §1631, saying this court lacked jurisdiction because the district court's jurisdiction was not based on 28 U.S.C. §1338, Christianson's antitrust action not being one "arising under" the patent laws. 28 U.S.C. §1338. Colt opposed the motion. On December 4, 1985, this court granted Christianson's motion in a short unpublished order that did not explain why jurisdiction was lacking, it being expected that the parties and others interested would recognize that it was based on the reasons and authorities set forth in the movant's brief.

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[5] The parties have offered no indication of any basis for the district court's rulings on matters that were not presented in either motion for summary judgment, such as Count I (antitrust liability) and Count II (Colt's tortious interference with Christianson's business relationships).

Before the Seventh Circuit, the parties submitted briefs, and on May 8, 1986, argued the case. Neither party raised the jurisdictional issue. In *Christianson v. Colt Industries Operating Corp.*, 798 F.2d 1051, 230 USPQ 840 (7th Cir. 1986), the Seventh Circuit elected *sua sponte* to review our transfer order, saying it has "considerably less persuasive force than a full opinion on the complex questions presented," and that it was not binding as law of the case because it was "clearly wrong." *Id.* at 1056-57 & n. 7, 230 USPQ at 844- 45 & n. 7. Based on Colt's brief on Christianson's original transfer motion, the Seventh Circuit re-transferred the appeal to this court.

Noting that 28 U.S.C. §1338 incorporates traditional rules of statutory "arising under" jurisdiction, the Seventh Circuit said two types of cases may arise under the patent laws for purposes of §1338: (1) those in which patent law "creates" the cause of action, (Justice Holmes' "creation" test); and (2) those in which "the vindication of a right under a non-patent law calls for a determination of the meaning or application of a patent law." Id. at 1059, 230 USPQ at 847. Recognizing the import of the well-pleaded complaint rule, the court nonetheless said it may "recharacterize" the pleadings, using what it found in pleadings other than the complaint (here, the summary judgment motions). *Id.* at 1060, 230 USPQ at 847 (citing cases).

Because the complaint requested no relief under the patent laws, the Seventh Circuit said the action does not meet the "creation" test, but "(t)he crux of the plaintiff's case is that, by failing to make the necessary disclosures under section 112, Colt is extending its exclusionary rights beyond the 17-year life of the M-16 patents, a result inconsistent with the objectives of the patent system." 798 F.2d at 1061, 230 USPQ at 848. Applying its alternative test, the court held that, "because Christianson's right to recovery, although ostensibly based on the antitrust laws, 'would be defeated by one or sustained by an opposite construction' of the patent laws," (quoting *Beghin-Say International, Inc. v. Ole-Bendt Rasmussen*, 733 F.2d 1568, 1570, 221 USPQ 1121, 1123 (Fed. Cir. 1984)), the action does arise under the patent laws. *Id.*

Lastly, the Seventh Circuit rejected Christianson's interpretation of its own complaint. Christianson said the complaint's reference to section 112 was only in anticipation of Colt's trade secret defense and counterclaim. Describing that argument as "disingenuous, to say the least," the court said the "complaint may be sketchy, but it leaves no doubt that Christianson was relying on that pleading (Count 1 of which was never amended) to obtain a determination that Colt's patent applications failed to comply with disclosure requirements of §112," and that "(t)he summary judgment proceedings confirm our initial interpretation of the complaint." 798 F.2d at 1062, 230 USPQ at 849.

On October 2, 1986, Christianson moved to dismiss the retransferred appeal, but did not suggest a re-re-transfer to the Seventh Circuit. Colt opposed the motion. Four days later, the parties argued the appeal on its merits before this court.

ISSUES

(1) Whether this court has jurisdiction of this appeal.

(2) Whether the interest of justice compels a decision by this court at this time.

(3) Whether the district court erred in granting Christianson's motion for summary judgment.

OPINION

(1) Jurisdiction

(a) Federal Courts Improvement Act

As evidenced by our respectful disagreement with our sister circuit in this opinion, this court's jurisdiction in some cases is less than crystal clear.[6] With five years of experience under the

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[6] *United States v. Hohri*, 55 U.S.L.W. 4716 (U.S. June 1, 1987) (dealing with this court's jurisdiction granted at 28 U.S.C. §1295(a)(2)).

Act, it may be time for Congress to make its intention even more clear to those willing to look for it in the statute and legislative history. In the meantime, clarity may be advanced by vigorous, straightforward, and complete expression of views by all concerned.

The Seventh Circuit has here provided its view on the part of this court's jurisdiction granted in section 1295(a)(1) of the Federal Courts Improvement Act of 1982, Pub. L. No. 97-164, 96 Stat. 25 (1982) (FCIA). Before the FCIA, the regional circuits had jurisdiction of appeals like this. We find no basis on which to posit a congressional intent to deprive the regional circuits of jurisdiction over *every* appeal that remotely involves a patent issue.

Congress is the *source* of jurisdiction granted federal courts, other than the Supreme Court, yet the Seventh Circuit made no detailed reference to the legislative history of the FCIA. Continuing this court's consistent focus on the source, we are convinced that Congress never intended this court to exercise jurisdiction over an appeal from a judgment like that *sub judice*. Because we can still, as was said in our original transfer order, "discern no basis for jurisdiction in the Court of Appeals for the Federal Circuit," we expand somewhat on that view here.[7]

In 28 U.S.C. §1295(a)(1), Congress granted this court exclusive jurisdiction over any appeal from a final decision of the district court "if the jurisdiction of that court was based, in whole or in part, on Section 1338 of this title," and the jurisdiction of the district court was not based solely on a copyright or trademark claim. Section 1338 provides that "The district

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[7] Christianson's argument, in its motion to dismiss, that this court's transfer order was *res judicata* is without merit, the action not having been terminated. Because the Seventh Circuit's transfer to this court was "clearly wrong," we take the approach taken by that court, concluding that we are not bound by our sister circuit's ruling on the extent of our jurisdiction.

courts shall have original jurisdiction of *any civil action arising under any Act of Congress relating to patents. . .* " (Emphasis added.) For this court to have jurisdiction, the "controlling fact" is that the district court's jurisdiction must have been based "in whole or in part" on section 1338, and the involved "civil action" must therefore have been one "arising under" an Act of Congress relating to patents. *Atari, Inc. v. JS & A Group, Inc.*, 747 F.2d 1422, 1429, 223 USPQ 1074, 1079 (Fed. Cir. 1984) (*in banc*).

"This is a substantial requirement. Immaterial, inferential, and frivolous allegations of patent questions will not create jurisdiction in the lower court, and therefore there will be no jurisdiction over these questions" in this court. S. Rep. No. 275, 97th Cong., 2d Sess. 19 *reprinted in* 1982 U.S. Code Cong. & Admin. News 11, 29 (Senate Report); *see* H.R. Rep. No. 312, 97th Cong., 1st Sess. 41 (House Report).

The district court correctly described its jurisdiction here as based on 28 U.S.C. §1332 and 15 U.S.C. §§4, 15 and 26. That description would not control, if, unlike the present case, jurisdiction could *also* have been properly based in part on section 1338.[8] "As arbiter of our own jurisdiction, we necessarily have the power to decide the threshold question whether the district court has jurisdiction under section 1338 independently of the conclusion reached by the district court." *C.R. Bard, Inc. v. Schwartz*, 716 F.2d 874, 877, 219 USPQ 197, 200 (Fed. Cir. 1983). To say otherwise would produce an absurd result, for our jurisdiction would then turn on statements of the district court. Similarly, a careful examination of the FCIA and its legislative history establishes the absurdity of supposing that Congress intended our jurisdiction, or that of the district court on which ours depends, to turn on whether a patent question is raised in

[8] As the Seventh Circuit correctly noted, our appellate jurisdiction "depends on whether the jurisdiction of the district court *could* have been based on §1338." 798 F.2d at 1058 n.9, 230 USPQ at 846 n.9 (emphasis in original). That is, that the district court's jurisdiction may also have been based on other grounds has no bearing on our jurisdiction. *Cf. Chemical Eng'g Corp. v. Marlo, Inc.*, 754 F.2d 331, 333, 222 USPQ 738, 740 (Fed. Cir. 1984). As explained in the text, the district court's jurisdiction could *not* have been based even "in part" on Christianson's *argument* against Colt's trade secret defense. Arguments are not the source of a court's jurisdiction.

an *argument* against a *defense* on cross-motions for summary judgment in an antitrust suit.

(b) Patent Law Uniformity — Patent Issues

Though this court's exclusive substantive jurisdiction encompasses six major areas of national law in which Congress desired greater uniformity, of which patent law is but one, the Seventh Circuit correctly noted the congressional emphasis on the need for greater uniformity in patent law and for freeing the judicial process from the forum shopping caused by conflicting patent decisions in the regional circuits. *See* Senate Report, at 5-6, *reprinted in* 1982 U.S.Code Cong. & Admin. News at 15-16; House Report, at 20-23. Though the Seventh Circuit said that congressional concern "inform(s) our analysis of the jurisdictional question," 798 F.2d at 1058, 230 USPQ at 846, that court went on to assume frustration of that concern if this court did not hear *every* appeal involving in any manner any patent question. Similarly, Colt says this court has jurisdiction because of what it calls the "principle of patent law uniformity", and because this appeal involves a "patent issue" decided adversely to Christianson in *Springfield*.[9]

As said in *Atari*, "Achievement of increased uniformity in the substantive law of patents does not require that this court get its hands on every appeal involving an allegation that a patent law *issue* is somehow involved." 747 F.2d at 1429, 223 USPQ at 1078 (emphasis added). "Congress was not concerned that an

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[9] Colt is wrong, and should know it is wrong. Congress, as indicated in the text, expressly avoided any such "principle" in granting *case*, not *issue*, jurisdiction, and Christianson was not a part to the *Springfield* appeal, in which no "patent issue" was decided by this court.

That the district court consolidated the *Springfield* case with this case for purposes of discovery and trial does not create jurisdiction in this court. The present case is unlike that in *Interpart Corp.* v. *Italia*, 777 F.2d 678, 680, 228 USPQ 124, 125-26 (Fed. Cir. 1985), where this court held it had jurisdiction over an appeal from a final judgment in a case of consolidated patent and nonpatent actions between the same parties. Here, unlike *Interpart Corp.*, the actions were not between the same parties, and, if both had been tried, separate judgments would have presumably been entered. Thus, consolidated here does not produce the effect produced by a filing of a patent action as a counterclaim. *See In re Innotron Diagnostics*, 800 F.2d 1077, 1080, 231 USPQ 178, 180 (Fed. Cir. 1986).

occasional patent law decision of a regional circuit court, or of a state court, would defeat its goal of increased uniformity in the national law of patents." *Id.* at 1432, 223 USPQ at 1081.[10]

Carried to its logical end, the reasoning that this court has jurisdiction because a patent law *issue* is involved in sustaining or defeating Colt's *defense*, and thus indirectly and possibly defeating or sustaining Christianson's eventual antitrust recovery, would lead to absurd results. Applied to a state law contract suit on a patent license, with district court jurisdiction based *solely* on diversity (and thus not even in part on section 1338), that reasoning would direct the appeal here if the *defense* was noninfringement or patent invalidity. Even more absurdly, the logic of that reasoning would require removal to the district court and appeal to this court of that contract suit when diversity was absent. Indeed, application of that reasoning would produce the same absurd result if Christianson's present suit had been brought under Illinois antitrust law.

This court has recognized that "state courts may decide patent questions," *In re Oximetrix, Inc.*, 748 F.2d 637, 641, 223 USPQ 1068, 1071 (Fed. Cir. 1984) (citing *Beghin-Say International, Inc. v. Ole-Bendt Rasmussen*, 733 F.2d 1568, 221 USPQ 1121 (Fed. Cir. 1984)); see *In re Snap-On Tools Corp.*, 720 F.2d 654, 655, 220 USPQ 8, 9 (Fed. Cir. 1983), as has the Supreme Court, *Lear v. Adkins*, 395 U.S. 653, 162 USPQ 1 (1969) (state courts may decide patent validity issue in license suit). If state courts may decide patent questions, it escapes our ken how it can be said, or that Congress said, that regional circuits may never do so.

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[10] The regional circuits are, of course, perfectly competent, as are state courts, to determine patent "questions" or "issues" that may occasionally arise in cases within their jurisdiction. "Uniformity" is not necessarily thereby abandoned. As indicated in *Atari*, 747 F.2d at 1440 n. 15, 223 USPQ at 1087 n. 15, the regional circuits might elect to apply the patent precedents of this court in such cases, just as this court applies regional circuit precedents in areas of law and procedure not within its exclusive jurisdiction.

As was made clear in *Atari*, Congress *specifically* and *expressly* rejected proposals that this court have "issue" jurisdiction and that appeals involving patent and nonpatent issues be bifurcated.[11] Rather, Congress granted this court jurisdiction over all appeals in "§1338 *cases*". Accordingly, this court decides all issues, including nonpatent issues, in a "case" that is properly within its jurisdiction. *See, e.g., Loctite Corp. v. Ultraseal Ltd.*, 781 F.2d 861, 875-78, 228 USPQ 90, 99-102 (Fed. Cir. 1985) (antitrust liability); *Bandag, Inc. v. Al Bolser's Tire Stores, Inc.*, 750 F.2d 903, 909- 21, 223 USPQ 982, 986-95 (Fed. Cir. 1984) (trademark infringement). Having granted this court "case" and not "issue" jurisdiction, Congress clearly left cases merely involving defenses that raise patent *issues* in the regional courts of appeals, because the district court's jurisdiction in those cases is based solely on diversity, or on other grounds, and *not* "in whole or in part on section 1338."

In sum, what counts is not the mere presence or absence of patent "issues"; what counts is whether the district court's jurisdiction was based in whole or in part on section 1338. When it is, patent issues will be present; but the reverse is not true, for the *mere* presence of patent issues has no power to create jurisdiction in the district court. We find no basis or rationale, therefore, for an expanded, open-ended view that this court has been granted jurisdiction over all appeals in cases that contain patent issues, in talismanic reliance on "patent law uniformity" or otherwise.[12] As indicated, the legislative history indicates that this court has *not* been granted such broad and easily manipulated jurisdiction.

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[11] *See United States v. Hohri*, 55 U.S.L.W. at 4717 n. 3.

[12] The view that this court should "take" jurisdiction whenever that would facilitate "patent law uniformity", *see* Hale, *The "Arising Under" Jurisdiction of the Federal Circuit: An Opportunity for Uniformity in Patent Law*, 14 Fla.St.U.L.Rev. 229, 265 (1986), disregards the jurisdiction-granting role of the Congress. *Accord* 3 D. Chisum, *Patents* §11.06(3), at 11-106.8 (1986).

(c) Traditional "Arising Under" Jurisdiction

Congress said cases are within this court's patent jurisdiction "in the same sense that cases are said to 'arise under' federal law for purposes of federal question jurisdiction." House Report, at 41; *see* 28 U.S.C. §1331 (1982).[13]

The Seventh Circuit correctly noted here that our jurisdictional grant, 28 U.S.C. §1295(a)(1) "incorporates the traditional rules of statutory 'arising under' jurisdiction." 798 F.2d at 1059, 230 USPQ at 846. The Ninth Circuit has also, noting that Congress was fully aware of the problems posed by traditional 'arising under' jurisdiction and "nonetheless chose to adopt the existing 'arising under' framework. We are not free to disregard this express congressional intent." *Handgards, Inc. v. Ethicon, Inc.*, 743 F.2d 1282, 1286 n.3, 223 USPQ 214, 216 n.3 (9th Cir.1984), *cert. denied*, 469 U.S. 1190 (1985).

Whether an action arises under federal law "must be determined from what necessarily appears in the *plaintiff's statement* of his own claim in the bill or declaration, *unaided* by anything alleged in *anticipation or avoidance of defenses* which it is thought the defendant may interpose." *Franchise Tax Board of California v. Construction Laborers Vacation Trust for Southern California*, 463 U.S. 1, 9 (1983) (emphasis added) (quoting *Taylor v. Anderson*, 234 U.S. 74, 75-76 (1914)); *see also Gully v. First National Bank*, 299 U.S. 109, 113 (1936). The thus described well-pleaded complaint rule "severely limits the number of cases in which state law 'creates the cause of action' that may be initiated in or removed to federal district court, thereby avoiding more-or-less automatically a number of potentially serious federal-state conflicts." *Id.* at 9-10 (quoting *American Well Works Co. v. Layne & Bowler Co.*, 241 U.S. 257, 260 (1916) ("A suit arises under the law that creates the cause of action.") (Holmes, J.)).

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[13] 28 U.S.C. 1331 reads:

> The district courts shall have original jurisdiction of all civil actions arising under the Constitution, laws, or treaties of the United States.

A *defense* that raises a federal question is thus *inadequate* to confer federal jurisdiction, *Merrell Dow Pharmaceuticals Inc. v. Thompson*, 106 S.Ct. 3229, 3232 (1986) (citing *Louisville & Nashville R.R. v. Mottley*, 211 U.S. 149 (1908)), "even if the defense is anticipated in the plaintiff's complaint, and *even if both parties admit that the defense is the only question truly at issue* in the case." *Franchise Tax Board*, 463 U.S. at 14 (emphasis added).[14] That "has been settled law" since *Gold-Washing & Water Co. v. Keyes*, 96 U.S. 199 (1877). *Franchise Tax Board*, 463 U.S. at 14.

So here, Colt's trade-secret defense, at best anticipated in Christianson's complaint, cannot be said to create district court jurisdiction under section 1338, and thus cannot create this court's jurisdiction which, as Congress said, must be judged "in the same sense that cases are said to arise under federal law for purposes of federal question jurisdiction". House Report, at 41. That would be true if Colt's defense raised a question of federal law. It is even more compelling when one recognizes that Colt's trade secret defense raised *no* federal law question but rested entirely on state law, that section 112 appears only as a theory on which to overcome that defense.

The Supreme Court spoke, in *Franchise Tax Board*, of vindicating "a right under state law." In arguing against Colt's trade-secret defense, Christianson is attempting to vindicate no "right under state law" and no right under patent law. The Supreme Court said in *Smith v. Kansas City Title & Trust Co.*, 255 U.S. 180 (1921), that plaintiff's *complaint* must be looked to, not arguments on cross-motions for summary judgment. The complaint here seeks to vindicate Christianson's right to be free from Colt's violation of the antitrust laws. Noncompliance with section 112 is not a violation of those laws.[15]

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[14] The Supreme Court's language in *Franchise Tax Board*, "even if both parties admit that the defense is the only question truly at issue in the case", may be compared with that of the Seventh Circuit here, which emphasized Christianson's §112 *argument* against Colt's defense as "the crux of plaintiff's case."

[15] Standing alone, the only effect of noncompliance with §112 is to deny a patent to an applicant or to invalidate an issued patent.

The Supreme Court has consistently held that cases do not "arise under" the patent laws merely because the case involves issues of a patent's validity and scope. *See, e.g., Luckett v. Delpark, Inc.*, 270 U.S. 496, 502 (1926); *American Well Works Co., supra; Healy v. Sea Gull Specialty Co.*, 237 U.S. 479 (1915); *The Fair v. Kohler Die Co.*, 228 U.S. 22 (1913); *Henry v. A. B. Dick Co.*, 224 U.S. 1 (1912); *Excelsior Wood Pipe Co. v. Pacific Bridge Co.*, 185 U.S. 282 (1902); *Wilson v. Sandford*, 51 U.S. (10 How.) 99 (1850).

The Supreme Court has held that a case arose under the patent laws when the "essential features (of the bill) were the allegation of an infringement and prayers for an injunction, and account for profits and triple damages, — the characteristic forms of relief granted by the patent law" in *Healy v. Sea Gull Specialty Co.*, 237 U.S. 479, 481 (1915). It was cases involving such "essential features" that Congress had in mind when it enacted section 1338 and section 1295(a)(1). No such essential features are present in this case.

Nor do we suggest a new distinction between *issues* and *claims* under the patent laws. As early as 1897, in *Pratt v. Paris Gas Light & Coke Co.*, 168 U.S. 255 (1897), the Supreme Court annunciated that critical distinction and its effect on federal jurisdiction:

> The action under consideration is not one arising under the patent laws under the United States in any proper sense of the term. To constitute such a cause the plaintiff must set up some right, title or interest under the patent laws, or at least make it appear that some right or privilege will be defeated by one construction, or sustained by the opposite construction of these laws. (Citations omitted.)
>
> The state court had jurisdiction both of the parties and the subject-matter as set forth in the declaration, and it could not be ousted of such jurisdiction by the fact that, incidentally to one of these defences, the defendant claimed the invalidity of a certain patent. To hold that it has no right to introduce evidence upon this subject is to

> do it a wrong and deny it a remedy. Section (1338) does not deprive the state courts of the power to determine *questions* arising under the patent laws, but only of assuming jurisdiction of "cases" arising under those laws. There is a clear distinction between a case and a question arising under the patent laws. The former arises when the plaintiff in his opening pleading — be it a bill, complaint or declaration — sets up a right under the patent laws as a ground for a recovery. Of such the state courts have no jurisdiction. The latter may appear in the plea or answer or in the testimony. The determination of such question is not beyond the competency of the state tribunals.

168 U.S. at 259 (emphasis in original).

So here, because this court was granted "case" jurisdiction, *Atari*, 747 F.2d at 1435, 223 USPQ at 1084, the mere raising of a patent law "question" in a motion for summary judgment in an antitrust action ("case") cannot, under any test, cause that action to "arise under" the patent laws. It is equally incapable of causing the district court's jurisdiction to be based "in whole or part on section 1338" and cannot therefore give this court jurisdiction over an appeal.

Honoring Congress' intent that we adopt the traditional framework for determining whether an action arises under section 1338, this court, as well as other courts of appeals, have *explicitly* followed the principles annunciated in the noted Supreme Court cases. For cases in which this court found no jurisdiction, *see Schwarzkopf Development Corp. v. Ti-Coating, Inc.*, 800 F.2d 240, 231 USPQ 47 (Fed. Cir. 1986) (suit for royalties due under a patent license contract; district court jurisdiction based on diversity and not changed by transient counterclaim); *Beghin-Say International, Inc. v. Ole-Bendt Rasmussen*, 733 F.2d 1568, 221 USPQ 1121 (Fed. Cir. 1984) (action seeking declaration that plaintiff owned two patent applications; complaint sounded exclusively in contract). *See also Gilson v. Republic of Ireland*, 787 F.2d 655, 229 USPQ 460 (D.C.Cir.1986). For cases in which this court found jurisdiction, *see Yarway Corp. v. Eur-Control USA, Inc.*, 775 F.2d 268, 227

USPQ 352 (Fed. Cir. 1985) (licensee's suit for patent *infringement* by licensor arose under the patent laws); *Air Products and Chemicals, Inc. v. Reichhold Chemicals, Inc.*, 755 F.2d 1559, 225 USPQ 121 (Fed. Cir.) (court must review plaintiff's pleadings, with special attention to relief requested; complaint averred infringement and sought injunctive relief), *cert. dismissed*, 106 S.Ct. 22 (1985).

In *Pratt v. Paris Gas Light & Coke Co.*, 168 U.S. 255 (1897), and in *Excelsior Wood Pipe Co. v. Pacific Bridge Co.*, 185 U.S. 282 (1902), the Supreme Court looked to whether plaintiff had asserted at least some right or privilege that would be defeated by one or sustained by an opposite construction of those laws. The assertion of such a "right or privilege" was looked to in *Beghin-Say International, supra*, (no jurisdiction) and in *Dubost v. United States Patent and Trademark Office*, 777 F.2d 1561, 1564-65, 227 USPQ 977, 979 (Fed. Cir. 1985) (jurisdiction found).

The "right or privilege" referred to, however, must appear on the face of the complaint, unless it can be shown that plaintiff is avoiding reference to it to evade federal jurisdiction. See *Franchise Tax Board*, 463 U.S. at 22. Use of "defeated or sustained" has proven unfortunate, for those words have been seized upon here to implicate *defenses* and has thereby led to the misconception that the mere presence of a patent issue created by a defense (or even, as here, by an argument against a defense) makes the case one over which the district court's jurisdiction is based on section 1338. To take that view would be to convert an inquiry into jurisdiction over Christianson's complaint and action into an inquiry into jurisdiction over Colt's defense and Christianson's response to that defense.

It would have been more clear, and more in accord with the well-pleaded complaint rule, if the phrase had been "plaintiff must have asserted in the complaint some right or privilege *the existence of which* would be defeated by one or sustained by an opposite construction" of the patent laws. The rule was never intended to permit a court's jurisdiction to be determined by what is said in a defense or in resisting a defense, or by whether

a plaintiff would *win* with one construction or *lose* with another. "Defeated or sustained" relates to what is present, expressly or by necessary implication, in the complaint, *not* to the outcome of the law suit.[16]

One thing clear in our cases is that this court has adhered to the well-pleaded complaint rule[17] and to Congress' warning that a "canon of construction" requires that "courts strictly construe their jurisdiction." Senate Report, at 18-19, *reprinted in* 1982 U.S.Code Cong. & Ad. News at 28-29. The court has looked to determine whether the complaint does in fact seek relief provided for by the patent laws or states a right, the existence of which turns on construction of the patent laws. *See Chemical Engineering Corp. v. Marlo, Inc.*, 754 F.2d 331, 222 USPQ 738 (Fed. Cir. 1984). Christianson nowhere seeks relief provided by the patent laws and its complaint states no right the existence of which turns on construction of the patent laws.

Unwarranted deviation from the well-pleaded complaint rule would undermine Congress' wise provision that our jurisdiction be normally determined at the earliest stage of litigation, *i.e.*, at the complaint stage. *Interpart Corp. v. Italia*, 777 F.2d 678, 680, 228 USPQ 124, 126 (Fed. Cir. 1985). "To impart certainty throughout the entire process of filing, pretrial, trial, and post- trial motions, appellate jurisdiction should normally be known and remain unaffected." *Atari*, 747 F.2d at 1432, 223

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[16] Obviously, no "construction" of §112 is required here. If it be found as a fact that Colt did or did not comply with §112, that may affect the particular argument made by Christianson against Colt's trade secrets in arguing Christianson's summary judgment motion for trade secret invalidity, but it could itself neither defeat nor sustain the existence of any "right or privilege" of Christianson.

[17] We reject suggestions that we should simply disregard the well-pleaded complaint rule. *See* Adams, *The Court of Appeals for the Federal Circuit, More Than a National Patent Court*, 49 Mo. L. Rev. 43, 69 (1984). "(I)t is clear from the language of the (FCIA) and its legislative history that the well-pleaded complaint rule does limit the patent jurisdiction" of this court. *Id.*

USPQ at 1081; *see also* 3 D. Chisum, *Patents* §11.06(3), at 11-106.8 (1986) (advantage knowing from beginning of suit where appellate jurisdiction lies in that trial judge and counsel can focus on controlling circuit case law). Adherence to the well-pleaded complaint rule may thus provide the same advantage of early determination of jurisdiction between this court and a regional circuit court that it has traditionally provided in early determination of jurisdiction between state and federal courts.

To say that jurisdiction can be based on an argument made on a motion for summary judgment would not only violate the well-pleaded complaint rule but would open the door to the manipulation of jurisdiction and the evils of forum shopping, a door Congress thought it was closing when it enacted the FCIA.

(d) What is Christianson's Cause of Action?

Assessing the scope of the patent laws in determining whether particular causes of action arise under those laws, is a task not always free of difficulty. *See Alco Standard Corp. v. Tennessee Valley Authority*, 808 F.2d 1490, 1504, 1 USPQ 2d 1337, 1347 (Fed. Cir. 1986) (Nies, J., concurring); *Alco Standard Corp.*, 808 F.2d at 1511, 1 USPQ2d at 1352-53 (Rich, J., dissenting); *Wyden v. Commissioner of Patents and Trademarks*, 807 F.2d 934, 937, 231 USPQ 918, 921 (Fed. Cir. 1986) (Markey, C.J., dissenting); *Dubost v. United States Patent and Trademark Office*, 777 F.2d 1561, 1568, 227 USPQ 977, 982 (Fed. Cir. 1985) (Newman, J., dissenting). A more fundamental and threshold task is less difficult, however. That task is to determine what actual cause of action is alleged in the complaint.

In its motion to dismiss, Christianson argues that its cause of action does not even *depend* on a "construction of a patent law":

> [I]nvalidating Colts patents, its alleged trade secrets, or seeking a construction of §112, was not even one of plaintiffs' theories for recovery, let alone its "only" theory. The complaint sought recovery because Colt put plaintiffs out

> of business by organizing a group boycott, a classic antitrust violation. Additionally, either as an independent ground for recovery, or as an aggravation of the antitrust violations, the complaint alleges that Colt unilaterally revoked its permission previously granted to plaintiffs to deal in M-16 parts. The issue of trade secret invalidity under §112 arose only after Colt pleaded its alleged trade secrets as a defense to the antitrust violations. (Citations omitted.)

Apparently unaware that jurisdiction cannot be created by counsel's theories in briefs or motions, Colt says "virtually every page of (Christianson's) brief in this court and of their motion below was based on the §112 theory." Making only one reference to the complaint, Colt says it "makes explicit reference to the alleged invalidity of Colt's patents 'through the wrongful retention of proprietary information in contravention . . . §112' (complaint ¶ 18)," arguing in effect that the complaint here should be treated as though it were a complaint in an action for declaratory judgment of patent invalidity. Though its language is convoluted, Paragraph 18 contains at most an anticipation, and only an anticipation, of Colt's *trade-secret* defense.

A careful review of the complaint reveals that Colt and the Seventh Circuit have given undue weight to a misinterpretation of its disjointed and inartful Paragraph 18. The key sentence relied upon merely states that "*Unless* such patents were invalid through the wrongful retention of proprietary information in contravention of . . . 35 U.S.C. §112, in 1980, when such patents expired, anyone 'who has ordinary skill in the rifle making art' is able to use the technology of such expired patents for which Colt earlier had a monopoly position for 17 years." (Emphasis added.) The sentence states a non-sequitur, for anyone is free to use the inventions in expired patents, whether those patents had been valid or invalid and whether section 112 had or had not been complied with. The paragraph refers only to expired patents, assumes that the patents had been valid, and in no way seeks a declaration of invalidity of any patent. That the district court in its final judgment said Colt's patents were invalid could not *retroactively* establish that the

district court's jurisdiction over the complaint and action was based on section 1338, and could not serve to manipulate the jurisdiction of this court in this case.

Our interpretation of Paragraph 18 is confirmed by Colt's response to it, wherein, as above indicated, Colt "*admits that Colt's patents are valid.*" (Emphasis added.) The misinterpretation of Paragraph 18 by Colt and the Seventh Circuit results in creation of just the kind of "inferential allegation" Congress did *not* want used to manipulate our jurisdiction. Senate Report, at 19, *reprinted in* 1982 U.S.Code Cong. & Admin. News at 29; *see* House Report, at 41.

The complaint reveals that Christianson attempted to allege only the ingredients of an antitrust violation as its cause of action. Christianson seeks relief under the antitrust laws because Colt has "embarked on a course of conduct to illegally extend its monopoly position with respect to the described patents and to prevent ITS from engaging in any business with respect to parts and accessories of the M-16." (¶ 22) The Seventh Circuit's statement that that conduct is "inconsistent with the objectives of the patent system," 798 F.2d at 1061, 230 USPQ at 848, is difficult to understand in the context of assessing this court's jurisdiction. Christianson had to and did mean that Colt was using an invalid claim to *trade secrets* to extend its monopoly, but this court was simply not granted jurisdiction of appeals from antitrust judgments whenever the antitrust offense alleged was the employment of trade secrets. That is true regardless of the theory on which plaintiff responds to the trade secret defense (trade secrets lost because based on public information, because of inadequate security measures, or because of failure to disclose them in patents).

In numerous subparagraphs, Christianson's complaint alleged specific acts by Colt which supposedly violated the antitrust laws by forcing Christianson out of the M-16 parts market. None has the slightest thing to do with patent law (falsely telling customers and potential customers why they should not deal with Christianson; maintaining a lawsuit in bad

faith; acts contrary to permission Colt gave Christianson to deal in M-16 parts). Those allegations in the complaint were virtually ignored by the Seventh Circuit.

We agree with Christianson that the Seventh Circuit incorrectly disposed of its argument that the trade secret validity issue arose only *after* Colt asserted its trade secrets defense of the acts charged in the complaint. Respecting that argument, the Seventh Circuit said:

> Because (Christianson's) only theory for the invalidation of the trade secrets was Colt's failure to comply with §112, Christianson's argument that (it) expected Colt to assert that *its patents were valid* cannot mean that he was anticipating a defense.[14] Thus, we find that Christianson's argument that patent validity was a "defense" only serves to confirm that (it) was relying on Colt's alleged noncompliance with §112 as the basis for (its) own cause of action.

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[14] If Christianson is saying that Colt fully complied with §112, but, nonetheless, attempted to make a trade secret out of that which was in the public domain, then there is no reason for Colt to present the "defense" of patent validity, because both sides are then in agreement. In other words, the defendant's allegation of patent validity cannot be a defense to the plaintiff's allegation of patent validity.

798 F.2d at 1062, 230 USPQ at 849.

The primary difficulty with the foregoing is that "it ain't so." Christianson expected Colt to assert its *trade secrets* as a defense, not that its expired patents had been valid. Christianson could *not* for its cause of action be "relying on Colt's noncompliance with §112," because, as above indicated, such noncompliance in itself cannot provide a cause of action or a basis for relief to anyone. Finally, both sides *were* in agreement regarding patent validity, which was simply neither involved nor material, the invalidity of Colt's claim to trade secrets being sufficient to defeat Colt's defense.

That the only theory Christianson here presented for invalidating Colt's claim to trade secrets was Colt's non-compliance with section 112 is irrelevant to jurisdiction, for the obvious reason above stated, i.e., that Colt's state law trade secrets were raised solely as a defense.[18] Thus the patent law would become involved only if and *after* Colt had made out a valid claim to those secrets under state law. *See Franchise Tax Board*, 463 U.S. at 13.

The Seventh Circuit's mistaken belief that Christianson said it anticipated Colt's defense of *patent validity*, when, as Christianson correctly argued, the complaint anticipated Colt's defense of *trade secrets*, may account in great part for its view that this court has jurisdiction over this appeal. The fact is clear on the record, in any event, that Christianson sought to defeat Colt's trade-secrets defense so Colt would have no plausible basis for attempting the group boycott alleged by Christianson as one of the bases for its antitrust suit.

Continuing its unfounded notion that "patent law uniformity" requires appeal here whenever a shadow of a shade of patent law appears anywhere in a case, Colt says this antitrust action arose under the patent laws because it can be "sustained" (sic, plaintiff can win) only by defeating Colt's trade secret defense on a section 112 theory. Thus Colt confirms the entry of the patent law, not even as a defense, but as merely an argument to overcome a defense.[19]

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[18] In seeking to defeat the defense of trade secrets because they should have been disclosed in its patents, Christianson relied on *Syntex Ophthalmics, Inc. v. Novicky*, 214 USPQ 272, 280 (N.D. Ill. 1982), *aff'd*, 701 F.2d 677, 219 USPQ 962 (7th Cir. 1983), distinguishing *Flick-Reedy Corp. v. Hydro-Line Mfg. Co.*, 241 F.Supp. 127, 140-41, 144 USPQ 566, 576 (N.D. Ill. 1964), *aff'd in part and rev'd in part*, 351 F.2d 546, 146 USPQ 694 (7th Cir. 1965), *cert. denied*, 383 U.S. 958 (1966). We need not and therefore do not comment on the correctness of the holdings in *Syntex* and *Flick-Reedy*.

[19] Colt says its grant and withdrawal of permission to use the trade secrets is not an antitrust violation, and, incredibly, argues from that premise that this court has jurisdiction over this appeal.

As previously noted, that Christianson's *argument* may depend on an application of section 112 confers no jurisdiction in this court. The district court did not, as it could not, say the section 112 issue caused its jurisdiction to be "based in whole or in part on §1338." 28 U.S.C. §1295(a)(1). Colt's noncompliance with section 112 was clearly not part of the prima facie case set forth in the complaint, and is not Christianson's cause of action. The facts alleged setting forth Christianson's *antitrust* cause of action in the complaint require *no* construction of the patent laws.[20]

The Seventh Circuit, in considering how Christianson's right might be affected by construction of the patent laws, lost sight of the right Christianson *was* "seeking to vindicate" in his complaint, which was a right to money damages and an injunction under the antitrust laws for numerous acts of Colt (group boycott, tortious interference, etc). The existence of that right would *not* be defeated or sustained by a construction of the patent laws. It was Colt's trade secret *defense* to one charge (group boycott) that would be defeated or sustained by a construction of the patent laws. Whether Christianson would win or lose on its argument against that defense could not possibly make Christianson's cause of action one arising under the patent laws or the district court's jurisdiction "based in whole or in part on §1338."

Looking to counsel's briefs and to post-complaint motions and arguments, the Seventh Circuit was led so far from Christianson's complaint as to render the well-pleaded complaint rule virtually meaningless in this instance. In the complaint, Christianson did not allege that the anticipated defensive assertion by Colt of its trade secrets, whether that claim was valid or invalid

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[20] It may be helpful to recognize that no patent issue or question, under §112 or otherwise, would have been present at all if Colt had *not* elected to include its trade secret defense in its answer, or if Christianson had tried to overcome that defense on grounds other than noncompliance with §112.

under any law, would amount to an antitrust violation. It was only Christianson's theory of response to Colt's trade secrecy defense, not a "right or privilege" or any "cause of action" of Christianson, that raised a question about Colt's duty to disclose those particular trade secrets under the patent laws.

(2) The Interest of Justice

We have again concluded that this court has not been granted jurisdiction over an appeal from this type of summary judgment in an antitrust case, and that this court acted in the interest of justice when it transferred this appeal to the regional circuit court. However, now that the transferee court has transferred the case back to this court, new considerations arise.

The "interest of justice" provision in 28 U.S.C. §1631 was intended to require a balancing of a transfer to a court having jurisdiction against dismissal for lack of jurisdiction in the transferring court. Nonetheless, the present special circumstances equally implicate the need to act in the interest of justice. Our action here is, accordingly, strictly limited to these circumstances, in which we balance the institutional costs of deciding the case on the merits against the needs of the parties.

Because the Seventh Circuit and this court have each determined that the other has jurisdiction, it would at first appear that certification to the Supreme Court would be warranted, pursuant to 28 U.S.C. §1254(3). Much as we might welcome a definitive resolution of the present jurisdiction question, we equally abhor the burden on the Court, noting that it has accepted only four certified questions since 1946. *See* R. Stern, E. Gressman & S. Shapiro, *Supreme Court Practice* 460-61 & n.3 (6th ed. 1986). The relative rarity of the present issue and the added delay to the litigants argue against this court's adding to the already heavy workload of the Supreme Court by certification.

If this court were to grant Christianson's motion to dismiss, the district court's judgment, though it is erroneous, *infra*, would stand, unless the Supreme Court were to grant a petition for certiorari, review the jurisdiction question, and remand to the appropriate appellate court for its review on the merits. A dismissal of this appeal would therefore risk leaving the parties with no avenue of appellate review of the district court's judgment. For that reason, and because a dismissal would not be in the interest of justice, we deny Christianson's motion to dismiss.

Similarly, we will deny Colt's request that, if this court lacks jurisdiction, we re-re-transfer the appeal to the Seventh Circuit. A third transfer would subject the parties to a continuation of the back-and-forth battering they have experienced to date, and nothing would preclude the Seventh Circuit from ordering a fourth transfer, this court a fifth, etc. It would not therefore be in the interest of justice to again transfer the appeal to the Seventh Circuit.

The parties have briefed and argued in both circuit courts and have not yet received a disposition on the merits of the appeal. It is time they did. Recognizing the delay already experienced, we see no reason that would justify further delay. Notwithstanding a strong sense of discomfort occasioned by our view of our jurisdiction, and realizing that the Seventh Circuit would be equally uncomfortable, we have determined that a rule of necessity and the interest of justice due the parties compel us to resolve the questions presented on the merits of the judgment appealed from. In so doing, we are confident that the Seventh Circuit, had it elected to exercise its jurisdiction and decided the merits, would have reached the same result in light of the precedents we cite. Similarly, the present decision will be effective because the district court is bound by the Seventh Circuit's view that this court has jurisdiction.

(3) Summary Judgment

(a) Introduction

The ghost in the wings of this unusual case is the military procurement system, with its requirement for interchangeability of parts of weapons. Like others producing products for a customer that demands interchangeability, Colt developed certain information and mass-production practices needed to insure that all parts of all its M-16 rifles were interchangeable with corresponding parts. It is that manufacturing or production information and "know how" that constitute Colt's trade secrets. It is that mass-production information that Christianson seeks to acquire. Christianson does not seek simply to make, use, and sell the inventions disclosed and claimed in the expired patents in suit, which he is clearly free to do. Christianson's desire is to mass-produce M-16 rifles with all 160 parts completely interchangeable, a desire frustrated by Colt's trade secret protection on its mass-production data and drawings.

It is undisputed that one could not make the 160-part M-16 *rifle* from reading disclosures in patents on nine parts, even if those patents disclosed Colt's mass-production data on those parts. It is also undisputed that successful *sales* of a *particular rifle*, the M-16, require interchangeability of its 160 parts and that Colt actively conceals the mass-production information it has developed on dimensions and tolerances and the production drawings necessary to make corresponding parts interchangeable.

(b) The District Court

The district court found that one cannot copy Colt's "commercial product with little effort by the application of reverse engineering." 609 F. Supp. at 1182, 227 USPQ at 366. By "commercial product" the court necessarily meant the M-16 rifle, not the parts disclosed and claimed in the patents in this case. Colt's "commercial product" appears nowhere in any claim of any patent of record. Indeed, no claim in any patent of record relates to or even mentions the M-16 or any other particular rifle.

The district court noted that this case involves the "uncommon situation where interchangeability is an absolutely essential requirement of customers, amounting to a situation of life and death on occasion" and that the inventor knew that "dimension and tolerances necessary for interchangeability . . . were important at the time of filing the patent applications." *Id.* Those findings are correct in relation to mass production but irrelevant to the section 112 issue.

The court found that, because "the parts could not be employed in any other existing weapon," the *only* mode for practicing the parts inventions is to incorporate them "into the standard M-16 military rifle," and thus Colt's "crucial interchangeability specifications should have been disclosed in the patent." *Id.* The finding that the parts could not be employed in a weapon is clearly erroneous and finds no support in the record. The patents relate to no particular "existing" weapon.

Deeming Colt's failure to disclose its trade secrets a "flagrant abuse of the patent laws," the district court found it liable under Christianson's antitrust count, and then went on to hold Colt liable under the count charging tortious interference with contract and ordered the extensive relief summarized *supra* and reported at 613 F. Supp. at 331-32.

(c) Arguments of the Parties

Surprisingly, Colt does not argue the presence of genuine issues of material fact. Rather, Colt challenges the grant of summary judgment as a matter of law because the district court: focused on *no claim* in any Colt patent; relied on facts not in the record; misconstrued affidavit testimony; found antitrust liability not requested in Christianson's summary judgment motion; and relied on unprecedented legal conclusions in invalidating Colt's trade secrets and in holding Colt liable. Each of those arguments is valid.

Christianson cites what it says is the uncontroverted testimony of Colt engineer Waterman that one of ordinary skill cannot "from the bolt assist patent" use the patented bolt assist in any weapon. The cited testimony actually states, however,

that one of ordinary skill could not "make a weapon that would have incorporated the bolt assist" simply from reading the bolt assist patent. The law is not so foolish as to require that a patent on a single part of a 160-part weapon must include instructions on how to make the *weapon*. Christianson's statement that the cited testimony was that the patented "bolt assist" could not be "incorporated in a weapon other than the M16" is at best disingenuous. No such testimony exists.

Christianson, as did the district court, emphasizes the testimony of Seth Bredbury, who said it would be a "massive" undertaking to design a rifle like the M-16 from the Colt patents. The relevance of and reliance on that testimony is difficult to understand. There is no "M-16 patent" of record, nor does any patent of record make any reference to "a rifle like the M-16." To design a 160-part "rifle like the M-16" from patents on nine parts would be not just a massive undertaking, it would be impossible. That the mass production of any product having 160 interchangeable parts is a "massive" undertaking cannot be doubted. It requires the development of dimensions, tolerances, and voluminous drawings. Colt undertook and succeeded in that massive-production effort, an effort Christianson desires lifted from its shoulders.

Christianson's arguments that the district court "was not limited to the words Colt chose in its patent claims" and that the claims are mere matters of "semantics," are contrary to the statute, 35 U.S.C. §112, second paragraph, and totally without merit.

(d) The Law

The district court's view that Colt violated section 112, by failing to disclose in each of its nine patents all its dimensions, tolerances, and production drawings needed to mass produce the M-16 rifle, rests on an error of law.

The legal requirement that a disclosure be enabling is set forth in the first paragraph of 35 U.S.C. §112:

> The specification shall contain a written description of the invention, and of the manner and process of making and

> using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Patents are not production documents, and nothing in the patent law requires that a patentee must disclose data on how to mass-produce the invented product in patents obtained on either individual parts of the product or on the entire product. *In re Strahilevitz*, 668 F.2d 1229, 1232, 212 USPQ 561, 563 (CCPA 1982); *In re Gay*, 309 F.2d 769, 774, 135 USPQ 311, 316 (CCPA 1962); *Douglas v. United States*, 510 F.2d 364, 366, 184 USPQ 613, 615 (Ct. Cl.), *cert. denied*, 423 U.S. 825 (1975); *Trio Process Corp. v. L. Goldstein's Sons, Inc.*, 461 F.2d 66, 74, 174 USPQ 129, 134 (3rd Cir.), *cert. denied*,E 409 U.S. 997 (1972).

Thus the law has never required that a patentee who elects to manufacture its claimed invention must disclose in its patent the dimensions, tolerances, drawings, and other parameters of mass production not necessary to enable one skilled in the art to practice (as distinguished from mass-produce) the invention. Nor is it an objective of the patent system to supply, free of charge, production data and production drawings to competing manufacturers. And that is well, for such a requirement would be irrational. Many inventions are never manufactured; the decision to manufacture may be taken well after the patent has issued; printing a thousand or more documents in the patent would often be required. For those and other reasons, the law requires that patents disclose inventions, not mass-production data, and that patents enable the practice of inventions, not the organization and operation of factories. The requirement for disclosure of sufficient information to enable one skilled in the art to practice the best mode of the *claimed* invention is and has been proven fully adequate for over 150 years.

The "invention" referred to in the enablement requirement of section 112 is the *claimed* invention. *Lindemann Maschinenfabrik v. American Hoist and Derrick Co.*, 730 F.2d 1452, 1463, 221 USPQ 481, 489 (Fed. Cir. 1984) (the "question is whether

the disclosure is sufficient to enable those skilled in the art to practice the *claimed* invention") (emphasis added); *Raytheon Co. v. Roper Corp.*, 724 F.2d 951, 956, 220 USPQ 592, 596 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 835 (1984).

The district court here supplied no analysis of the inventions claimed in the involved patents and no analysis of whether *those inventions* could be practiced without the dimensions, tolerances, and production drawings Colt developed for mass-producing one particular rifle. Indeed, there was *no testimony* and *no evidence* indicating that the disclosures in the involved patents do not enable one skilled in the art to practice the inventions disclosed and *claimed* in those patents. For that reason, Christianson's reliance on *White Consolidated Industries, Inc. v. Vega Servo-Control, Inc.*, 713 F.2d 788, 218 USPQ 961 (Fed. Cir. 1983) is misplaced, for there the nondisclosed matter was necessary to enable one to practice the *claimed* invention. *Id.* at 791, 218 USPQ at 963.

On the present record, therefore, there is nothing whatever to indicate that Christianson is unable to make and use the *claimed* inventions. Under the law, the question of whether Christianson is enabled by the patents to engage in mass production of the *claimed* inventions and to incorporate them in a particular rifle in a manner desired by a particular customer is simply and totally irrelevant.

As with enablement, so with best mode. *Plastic Container Corp. v. Continental Plastics of Oklahoma, Inc.*, 607 F.2d 885, 897, 203 USPQ 25, 37 (10th Cir.1979) ("it is the best mode of carrying out the *claimed* invention that must be set forth pursuant to section 112") (Miller, J., sitting by designation) (emphasis in original), *cert. denied*, 444 U.S. 1018 (1980). The best mode requirement assures that inventors do not conceal the best mode known to them when they file a patent application, but the "best mode" is that of practicing the *claimed* invention. It has nothing to do with mass production or with *sales* to customers having particular requirements. In this case, interchangeability with M-16 parts appears nowhere as a limitation in any claim, and as Christianson concedes, the

patents make no reference whatever to the M-16 rifle. Thus the best mode for making and using and carrying out the *claimed inventions* does not entail or involve either the M-16 rifle or interchangeability. The "best mode" for making and using the claimed parts relates to their use in *a* rifle, any rifle. There is nothing anywhere in the present record indicating that any of the patents fail to meet that requirement. Again, there was no testimony or evidence relating to the best mode of practicing the *claimed* inventions.

Christianson complains of its inability to sell an M-16 rifle to an army. Its difficulty, however, is not with section 112, or with Colt's compliance with section 112.

The patent system has conferred on Colt no exclusivity or economic advantage respecting Colt's dimensions, tolerances, and drawings necessary for interchangeability. Colt's sole basis for protection of the production data and drawings it developed to achieve interchangeability lies in state trade-secrecy law. Because there is nothing of record to indicate that disclosure of its production secrets in its patents was required by section 112, there can be and is no conflict here between federal patent law and state trade-secrecy law, and thus no question of "preemption." For the same reason, Colt's non-disclosure of its trade secrets in its patent applications was not "inconsistent with the objectives of the patent system" and Colt is not "extending its exclusionary rights" in the patented inventions. Christianson has shown simply no basis whatever for arguing that Colt did not fulfill its section 112 *quid pro quo* in obtaining the involved patents.

The district court's only basis for invalidating Colt's claim to production trade secrets was its view that failure to disclose them constituted noncompliance with section 112. As above indicated, that was legal error, nothing of record having indicated that the disclosures in the involved patents failed to enable, or to supply the best mode, in relation to the inventions claimed in those patents. There is no evidence, nor is it argued, that Colt kept its *inventions* secret. Nor has it been shown that any of Colt's secrets were necessary parts of or needed to

practice Colt's inventions. Nor has it been shown that interchangeability was part of any of the claimed inventions. All that has been shown and argued is that Colt has not let Christianson have Colt's manufacturing techniques, a fact having nothing to do with section 112 or any other part of the patent law.

Thus there is no basis in this record for invalidating either Colt's claim to trade secrets or its patents. Nor is there a basis for the district court's rulings that noncompliance with section 112 preempts state trade secret law in this case, or that Colt is liable under the antitrust laws or for tortious interference with contract. A basis is equally lacking for the district court's dismissal of Colt's counterclaims. The summary judgment entered by the district court rests on legal error and must for that reason be reversed and vacated in its entirety.

(e) The Facts

Whether a patent disclosure complies with the best mode requirement of section 112 is a question of fact. Enroute to its grant of summary judgment, the district court resolved some disputed issues of material fact and disregarded others. Summary judgment was for that further reason improper.

As above indicated, the district court here noted this court's dicta about section 112 in its opinion in *Springfield*, but it disregarded these immediately ensuing lines of this court's opinion:

> Springfield points to "admissions" of Colt's witnesses that M-16 specifications were necessary for making the M-16 rifle. However, as we understand it, the numerous Colt patents covered *parts* of the M-16, so that, at most, a best mode of each would be for *use* in the M-16 rifle — not for the M-16 itself. This would require an analysis, patent by patent, of the specifications (trade secrets) alleged to be essential in practicing each invention and/or meeting the best mode requirement; also a showing of why each individual invention could not be practiced and/or the best mode requirement satisfied in the absence of such specifications; further, whether such specifications were in existence at the time the Colt patent applications were filed. (Emphasis in original.)

CONCLUSION

This court was correct in its original transfer of this appeal to the Seventh Circuit. Compelled to decide the merits, however, we reverse the summary judgment granted to Christianson in its entirety, vacate portions of the summary judgment that are not grounded on the complaint and for which there is no support in the record, and remand the case to the district court for further proceedings not inconsistent with this opinion.

Christianson's motion to dismiss and Colt's request that a sanction be imposed on Christianson are denied.

REVERSED IN PART, VACATED IN PART, AND REMANDED.

United States Court of Appeals
for the Federal Circuit

CHARLES R. CHRISTIANSON AND INTERNATIONAL TRADE SERVICES, INC., ETC.,	)	
Appellee,	)	
v.	)	Appeal No. 85-2644
COLT INDUSTRIES OPERATING CORP.,	)	
Appellant.	)	

NICHOLS, *Senior Circuit Judge*, concurring and dissenting

I join in the judgment of the court and in part (3) of the court's opinion. I think the district court's opinion was preposterous and must be reversed. It fails, among other things, to take into account the acts of the government as purchaser of the M-16. The United States could have obtained the M-16 rifle from its inventors and developers, as a sole source, or could have opened its procurement up to competition, breaking any monopoly derivable from United States patent law, state trade secret law, or otherwise. *Leesona Corp. v. United States*, 599 F.2d 958 202 USPQ 424 (Ct. Cl.), *cert. denied*, 444 U.S. 991 (1979). How does a supplier do wrong in doing what its customer wants, when the customer is the United States?

I am unable to join parts (1) and (2) because, with all respect, I think they deal with the jurisdictional problem in an incorrect manner. If it is true we lack jurisdiction (part 1), whence do we derive authority to do anything other than return the case once again to the Seventh Circuit, which has jurisdiction, if we do not?

I would reach the same result by a different route. Ever since Congress enacted the Tucker Act a century ago, Ch. 359, 24

Stat. 505 (1887) (current version at 28 U.S.C. §1491), there has existed a situation where the judicial power of the United States has been exercised in part by courts having jurisdiction within a single region over multiple subject matters, and in part by courts having nationwide jurisdiction over more limited subject matters. Such a partitioning has always meant a high degree of likelihood of conflicting claims to jurisdiction (or conflicting denials of it) along the lines of demarcation, in the borderline cases. They represent traps for the unwary, causes of added cost and delay in the disposition of litigation, and sometimes even discredit for the judiciary. An example, long antedating the Federal Courts Improvement Act, is *Amell v. United States*, 384 U.S. 158 (1966), in which the Supreme Court, reversing the Court of Claims, held that Congress had thought of civilian sailors on government-owned and operated vessels as civil servants who happened also to be seamen rather than seamen who happened also to be civil servants; thus their wage claim should be enforced under the Tucker Act, not the Suits in Admiralty Act. Numerous as such cases have been, we may suppose many more instances lurk in the interstices to illustrate again once more that only one law is universal: Murphy's Law. When the express language of the statutes does not provide answers, perhaps the legislative history will. When both are silent, the supposition, as in *Amell*, that Congress must have thought so and so, is pretty much a legal fiction. How much a fiction it was in *Amell*, Justice Harlan's able dissent will show. If Congress thinks, it leaves its thought recorded, but it could not possibly think of all the problems the future will bring. *United States v. Hohri*, 55 U.S.L.W. 4716 (U.S. June 1, 1987), is a more recent example of the problems which must ever arise under the Federal Courts Improvement Act or any other legislation along the same lines. It is more realistic to say that Congress relies on the good sense and good will of the judges to solve such problems when they arise, as they surely will, to make jurisdictional law using their own experience, study, and reflection, and their sense of what Congress sought to do, to reach some reasonable solution. If it would not do such violence to custom, I would even go so far as

to suggest that two courts differing about where jurisdiction lies, though it must lie in one or the other, should actually confer to agree, if possible, on what they should do.

It is not uncommon for two federal courts to make conflicting claims to the same subject matter. It is less common for each to assert the baby belongs on the other's lap. That is what we have here. It appears to me courts ought to accord a decent respect to the first fully articulated view about a question of this kind. That is the Seventh Circuit's view here, as our decision that preceded it was unpublished and gave no reasons. If the legislative intent was not expressly stated, and cannot be divined from legislative history all pointing one way, I think the first appellate court that speaks should be followed, unless its decision is obviously indefensible: the kind of decision so bad it would not rate as "law of the case." That we, if writing on a clean slate, would write differently, is not ground enough to reject the Seventh Circuit's conclusions here if they are ones that reasonable judges could arrive at. If we approach our task that way, the absurd result of each court returning the case to the other can be avoided.

I do not think the Seventh Circuit's decision in this case is one no reasonable judge would have made. It struck me as quite persuasive when I first read it. Now I know a powerful counter argument is possible, because I have just read one, but I do not see this case as open and shut for either conclusion.

What happened in the district court seems to be that the judge adopted, on summary judgment, a line not pointed out in the pleadings of either side. It seems obvious to me that a new "well-pleaded complaint," written by one who wished to call up the court's ultimate conclusion, is the one we must postulate. As the Seventh Circuit points out, the "well pleaded complaint" of the cases is not necessarily the actual complaint. It is the supposititious complaint that would have supported the relief sought. Such a complaint here would support jurisdiction under section 1338. It asserts a right or privilege that would be defeated by one or sustained by an opposite construction of the patent laws. *Beghin-Say International Inc. v. Rasmussen*, 733

F.2d 1568, 1570, 221 USPQ 1121, 1123 (Fed. Cir. 1984). I believe such a "well-pleaded complaint" here would have used the patent law offensively. The hypothetical pleader would complain of a breach of the patent law by Colt's failure to publish an enabling disclosure so the pleader could make an M-16 rifle. (This is absurd, but it is the ground the court went off on.) This enabling disclosure would have included all the "trade secrets." Therefore, the court must require Colt now to do what it ought to have done earlier, *i.e.*, make the secrets available now. In deciding whether this is a claim to a right under the patent laws, we must not be misled by its sheer preposterousness, or its novelty. The fact the district court's decision was based on a mere "argument" is not decisive if the court could and should have called for an amended complaint. If the suit started as one under the antitrust laws, it was now one no longer, or not solely. It has become one to enforce a right allegedly created by the patent statute. The antitrust laws could not be the source of a complaint that the specification disclosures were inadequate, and the whole antitrust case collapses if the disclosures were in fact all the patent law required.

If this analysis is not the only possible one, I think it cannot be called frivolous, or absurd, or "clearly wrong." It does not require me to agree that our first decision rejecting jurisdiction was, as the Seventh Circuit said, "clearly wrong" either. I do not see how they knew this if they did not know its reasoning. We must choose. But it seems a little unnatural to me to treat the "well-pleaded complaint" rule as requiring us to leave uncorrected a decision under the patent laws as destructive to the rights of patentees as the one we review here.

APPENDIX F

IN THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT

No. 86-1145

CHARLES R. CHRISTIANSON, and INTERNATIONAL TRADE SERVICES, INC., a Massachusetts corporation,

Plaintiffs-Appellees,

v.

COLT INDUSTRIES OPERATING CORPORATION,

Defendant-Appellant.

Appeal from the United States District Court
for the Central District of Illinois, Rock Island Division.
No. 84 C 4056—**Robert D. Morgan**, *Judge.*

ARGUED MAY 8, 1986—DECIDED AUGUST 19, 1986

Before CUMMINGS, *Chief Judge*, BAUER, *Circuit Judge*, and ESCHBACH, *Senior Circuit Judge.*

ESCHBACH, *Senior Circuit Judge.* The primary question we address in this appeal is whether this court has appellate jurisdiction over the dispute. For the reasons stated below, we will hold that the instant case "arises under" the patent laws of the United States and, therefore, that exclusive jurisdiction over the appeal from the district court's decision lies in the Court of Appeals for the Federal Circuit under 28 U.S.C. § 1295. We will order the case transferred pursuant to 28 U.S.C. § 1631.

I

In 1959, the defendant-appellant, Colt Industries Operating Corporation ("Colt") acquired a license from another company for sixteen patents and other rights relating to the seller's "AR-10" and "AR-15" rifles. Colt refined these designs and developed a weapon, known as the "M16," that was adopted by the United States Army in 1964 as its standard small-arms rifle. It remains the standard today. Colt granted the Army a manufacturing license to produce the weapon, and entered into contracts with various suppliers in the United States for the manufacture and sale of component parts of the rifle. The defendant also sells the M16 to non-military customers, such as law enforcement agencies, and to several foreign governments and has provided a number of foreign governments with manufacturing licenses; most of the latter agreements, however, have expired.

Colt produces several versions of the M16. In the course of refining the weapon, the company has obtained additional patents, some of which have been incorporated into the weapon. Many of these patents have expired. However, much of Colt's engineering work for the M16 was not for patents, but for the refinement of the specifications of the components of the rifle, because it was essential that all parts function effectively, be mass-producible, and remain interchangeable. Much of the work on the weapon has been devoted to the selection of materials and the development of tooling, testing, and manufacturing processes to control the tolerances of the rifle's parts.

Colt seeks to maintain the secrecy of these conventional (*i.e.*, nonpatentable) techniques in a number of ways. It places proprietary legends on its drawings, which state that the information contained therein is owned by Colt and cannot be disclosed to third parties. In its contracts, Colt prohibits its suppliers and licensees from using the drawings outside the scope of their agreements and from disclosing the information to third parties. Colt also sends letters to its suppliers reminding them of their obligations.

Its employees must agree not to disclose, even after they leave Colt, the confidential information they obtain while working for the defendant. The company has sent cease-and-desist letters and initiated legal proceedings against those parties it considered to be misappropriating this allegedly proprietary information.

Prior to the instant case, Colt filed in 1983 a suit in the United States District Court for the Central District of Illinois against Springfield Armory, Inc., and a related corporation, Rock Island Armory, Inc., (referred to collectively as "Springfield"), to enjoin the performance of a contract Springfield had for the sale of M16-type rifles to El Salvador. Colt claimed that it would be irreparably damaged by Springfield's alleged infringement of Colt's patents and alleged unauthorized use of Colt's drawings and proprietary information, which Colt claimed were trade secrets and its exclusive property. Springfield sought to show that it had "reverse engineered" the weapon. After a hearing, the district court found that Springfield had simply copied Colt's proprietary documents and granted a preliminary injunction against Springfield.

After the injunction was issued, Colt added Charles Christianson (a former Colt employee) and Christianson's company, International Trade Services, Inc., (referred to collectively as "Christianson") as parties to the *Springfield* action on the ground that Christianson was the source of information for Springfield. Colt voluntarily dismissed its complaint against Christianson after the district court denied Colt's motion for a preliminary injunction against Christianson.

Springfield sought review of the preliminary injunction before the Federal Circuit. Springfield did not pursue the "reverse engineering" theory on appeal, but argued instead that, because the weapon could not be reverse engineered, Colt should have revealed the dimensions, tolerances, and specifications of the rifle in approximately 30 patent applications in order to satisfy the disclosure re-

quirements of 35 U.S.C. § 112.[1] The Federal Circuit stated that Springfield's § 112 arguments, particularly those related to "best mode," "have an appearance of validity" (citing *White Consolidated Industries, Inc. v. Vega Servo-Control, Inc.*, 713 F.2d 788 (Fed. Cir. 1983)), but found that "the evidence of record is almost totally lacking in specifics." The court noted further:

> [A]s we understand it, the numerous Colt patents covered *parts* of the M-16, so that, at most, a best mode of each would be for *use* in the M-16 rifle—not for the M-16 itself. This would require an analysis, patent by patent, of the specifications (trade secrets) alleged to be essential in practicing each invention and/or meeting the best mode requirement; also a showing of why each individual invention could not be practiced and/or the best mode requirement satisfied in the absence of such specifications; further, whether such specifications were in existence at the time the Colt patent applications were filed.

Thus, the Federal Circuit found that these facts would have to be developed further and in a brief unpublished order affirmed the preliminary injunction granted in favor of Colt. *Colt Industries Operating Corp. v. Springfield Armory, Inc.*, No. 84-559 (Fed. Cir. Apr. 19, 1984).

In the meantime, Christianson filed the instant action against Colt. Its complaint was not artfully drafted. Even a cursory examination of the pleading suggests that little attention was given to some rather important details. For example, in the prayer for relief under the antitrust claim

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[1] 35 U.S.C. § 112 provides in relevant part:

> The specification [required by 35 U.S.C. § 111] shall contain a written description of the invention, and the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

the plaintiff asks for "trouble damages." In addition, given the complexity of the factual and legal questions presented, the complaint is astoundingly brief. Nonetheless, the following allegations emerge: Colt controls nearly all of the domestic and foreign manufacture, marketing, and sale of 5.56mm automatic assault and semi-automatic rifles that fall within the M16 designation and also controls the domestic and foreign market for the manufacture, marketing, and sale of M16 parts and accessories. Colt had licensed the United States government and others with respect to the patents held by Colt for the M16, but the licenses extended beyond the patents. In addition, the complaint alleged:

> As of 1980, the basic patents with respect to the Colt rifle within the M-16 designation and many of the Colt improvement patents on such rifle within the M-16 designation had expired.
>
> The validity of the Colt patents had been assumed throughout the life of the Colt patents through 1980. Unless such patents were invalid through the wrongful retention of proprietary information in contravention of United States Patent Law (35 U.S.C. § 112), in 1980, when such patents expired, anyone "who has ordinary skill in the rifle-making art" is able to use the technology of such expired patents for which Colt earlier had a monopoly position for 17 years.
>
> [Christianson] and anyone else has the right to manufacture, contract for the manufacture, supply, market and sell the M-16 and M-16 parts and accessories thereof at the present time.

Complaint ¶¶ 17-19.

In 1976, prior to the expiration of the Colt patents, Christianson expended funds for tooling to be used in the manufacture of M16 parts and accessories, and Colt initially gave Christianson permission to produce these products. Until shortly before May of 1984, Christianson was engaged in the manufacture of M16 parts and accessories. However, according to the complaint:

> Contrary to the permission extended to [Christianson] to sell Colt parts and accessories and in violation of the anti-trust laws of the United States . . . , Colt has embarked upon a course of conduct to illegally extend its monopoly position with respect to the described patents and to prevent [Christianson] from engaging in any business with respect to parts and accessories of the M16. . . .

Complaint ¶ 22.

The complaint describes various actions taken by Colt, such as the sending of letters to actual and potential customers of Christianson to discourage them from dealing with Christianson and the filing of lawsuits to enforce its monopoly. In addition, it alleged that Colt:

> [s]ent additional correspondence to customers and potential customers of [Christianson] asserting illegally its claimed rights over M-16 drawings, specifications and parts and accessories to the M-16, and falsely stating that "Colt's right" to proprietary data had been "consistently upheld in various courts."

Complaint ¶ 22(c).

As a result of these activities, Christianson was driven out of business. Alleging that its demise caused a generalized injury "in the domestic and foreign marketplaces and assured Colt of the maintenance of its unlawful monopoly of the manufacture, marketing and sale of" M16s and their parts and accessories, Christianson sought recovery under §§ 4 and 16 of the Clayton Act, 15 U.S.C. §§ 15 and 26 (by reason of Colt's violation of §§ 1 and 2 of the Sherman Act, 15 U.S.C. §§ 1 and 2), in the form of damages, injunctive relief, attorney's fees, and any other relief the court may deem proper.[2]

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[2] Christianson later amended the complaint to add a second count alleging that Colt tortiously interfered with Christianson's contracts and prospective economic advantages.

In its answer, Colt denied generally Christianson's allegations and set up seven affirmative defenses. With reference to the patent disclosures, however, Colt admitted that "anyone with ordinary skill in the art is entitled to and is able to use any and all of Colt's expired patents for any legitimate purpose." Answer ¶ 18. Colt also included in its answer eleven counterclaims for breach of contract, unfair competition, misappropriation of trade secrets and trademarks, and tortious interference with contractual relations.

The case was scheduled for trial in late 1984. However, that schedule was cancelled on the representation of the parties that they would file cross-motions for summary judgment. The district court ruled on these motions on May 24, 1985. The court stated in its order that "[t]he complaint alleges that Colt has employed [restrictive clauses in its contracts] in an attempt to deny to any others the right to manufacture such rifles and parts notwithstanding the fact that Colt's patents have been expired for several years. It is alleged that Colt attempts, by such practices, to foster and maintain its monopoly position in the manufacture and merchandising of the products as if its patents still remained in force." It observed that "[t]he thrust of plaintiff's [summary-judgment] motion is the position that Colt cannot assert its claims of trade secrecy against plaintiffs because it had, in its now-expired patents, failed to make the full disclosures of its claims of invention as required by 35 U.S.C. § 112."

The court concluded that the disclosures made by Colt in obtaining its patents satisfied neither the "enablement" nor the "best mode" requirements of 35 U.S.C. § 112, so that the patents were invalid *ab initio* and that any claim of trade secrecy based on the undisclosed information was also invalid. Thus, it granted Christianson's motion for summary judgment as to liability and denied Colt's motion. On July 19, 1985, the district court entered its "Final Judgment on Liability," in which (1) it was ordered that a trial be held to determine the damages Christianson sustained as a result of Colt's anticompetitive activ-

ities, (2) nine of Colt's patents were invalidated "from their inception," and (3) all trade secrets regarding the M16, whether connected with the patents or not, were declared void and unenforceable. Colt was enjoined from asserting or seeking to enforce its now invalid trade secrets, ordered to preserve the technical information it had about the M16, and directed to remove its proprietary legends and confidentiality designations from its documents.

Colt originally filed this appeal under 28 U.S.C. §§ 1292(a)(1) and 1295 in the Federal Circuit. Christianson, however, moved for a transfer under 28 U.S.C. § 1631 on the ground that the claims of the complaint did not "arise under" the patent laws. The Federal Circuit, in an unpublished order dated December 4, 1985, granted Christianson's motion. The appeal was then transferred and argued before this court.

II

This court, like all federal courts, has a continuing obligation to determine whether it has subject-matter jurisdiction over the disputes coming before it. *See Bender v. Williamsport Area School District*, ___ U.S. ___, ___, 106 S. Ct. 1326, 1331 (1986); *Allen v. Ferguson*, 791 F.2d 611, 615 (7th Cir. 1986); *Professional Managers' Association v. United States*, 761 F.2d 740, 745 n.3 (Fed. Cir. 1985). Since the inception of the federal judiciary, it has been the settled rule that a court must make a determination of jurisdiction *sua sponte* when it first receives a case, and at any time thereafter in the course of the litigation should jurisdiction appear questionable.[3] *Louisville &*

[3] We are, of course, invested with an inherent "proto-jurisdiction" to determine whether we have subject-matter jurisdiction. *See Bender v. Williamsport Area School District*, ___ U.S. ___, ___, 106 S. Ct. 1326, 1331 (1986); *Franchise Tax Board v. Construction Laborers Vacation Trust*, 463 U.S. 1, 7, 103 S. Ct. 2840, 2845 (1983); *C.R. Bard, Inc. v. Schwartz*, 716 F.2d 874, 877 (Fed. Cir. 1983).

Nashville Railroad Co. v. Mottley, 211 U.S. 149, 29 S. Ct. 42 (1908); *Mansfield, Coldwater & L.M. Railroad v. Swan*, 111 U.S. 379, 4 S. Ct. 510 (1884); *Capron v. Van Noorden*, 6 U.S. (2 Cranch) 126 (1804); *see also Wisconsin Knife Works v. National Metal Crafters*, 781 F.2d 1280, 1282 (7th Cir. 1986); *Dubost v. United States Patent & Trademark Office*, 777 F.2d 1561, 1564-65 (Fed. Cir. 1985); *Van Drasek v. Lehman*, 762 F.2d 1065 (D.C. Cir. 1985); *Professional Managers' Association*, 761 F.2d at 743. The uncritical recitation of a jurisdictional basis, whether made by either a lower court or a party, is not controlling, no more than is the parties' stipulation of jurisdiction in a federal tribunal. *See Mansfield*, 111 U.S. at 382, 4 S. Ct. at 511. To the contrary, the power of the federal judiciary is limited and no court may alter the scope of its, or another tribunal's, constitutional or statutory mandate. *See Williams v. Secretary*, 787 F.2d 552, 557 (Fed. Cir. 1986). It follows, then, that the substance of the allegations (*i.e.*, their intended effect on the rights of the parties), not their form, is determinative and that we must look to the actual, rather than the ostensible, nature of the action that was before the district court in determining whether we have jurisdiction over an appeal. *Id.*[4]

We will first consider, however, a question presented by the unusual procedural posture of this case. No one would dispute that we are bound by a superior court's ruling on the issue of jurisdiction and that we are not bound by a lower court's ruling on the matter. This appeal, however, was originally filed in the Federal Circuit, a coordinate jurisdiction, that, in ruling on the appellee's motion to transfer, sent the suit here. The question then

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[4] In an appeal of this nature, we would ordinarily ask for further briefing on the jurisdictional question. We, however, perceive no need for such a request in this case, because we have before us the briefs filed by the parties in the Federal Circuit regarding the plaintiff's motion to transfer under 28 U.S.C. § 1631.

arises whether we are bound by that court's ruling that this court is to hear the case. We think not.[5]

This is not an example of preclusion by final judgment, because, as the Supreme Court's decision in *Hoffman v. Blaski*, 363 U.S. 335, 340-41, 80 S. Ct. 1084, 1088 (1960), illustrates, transfer orders are interlocutory. Thus, if any preclusive doctrine applies to the transfer order of the Federal Circuit under consideration, it is the doctrine of law of the case, which governs the regulation of matters *before* a final judgment. That doctrine, however, is prudential only and, in the words of Justice Holmes, "merely expresses the practice of courts generally to refuse to reopen what has been decided, not a limit to their power." *Messenger v. Anderson*, 225 U.S. 436, 444, 32 S. Ct. 739, 740 (1912). It does not mandate perpetuation of error and may even under certain circumstances be inappropriate to preclude reconsideration of those issues that, because of their intrinsic importance, must be left open for *sua sponte* reexamination in other procedural settings. Indeed, there is authority for the proposition that the issue of subject-matter jurisdiction is not constrained by law of the case principles. *See Potomac Passengers Association v. C & O Railway*, 520 F.2d 91, 95 & n.22 (D.C. Cir. 1975). Even the Fifth Circuit, which has developed a rigorous law of the case doctrine, routinely allows for the reconsideration of jurisdictional rulings. *See, e.g., Harcon Barge Co. v. D & G Boat Rentals, Inc.*, 746 F.2d 278, 283 n.2 (5th Cir. 1984), *rehearing on other grounds*, 784 F.2d 665 (5th Cir. 1986); *EEOC v. Neches Butane Products Co.*, 704 F.2d 144, 146-47 (5th Cir. 1983); *Western Electric Co. v. Milgo Electronic Corp.*, 568 F.2d 1203, 1205-06 & nn.5, 6 (5th Cir.), *cert. denied*, 439 U.S. 895 (1978); *see also In re "Agent Orange" Product Liability Litigation*, 745 F.2d 161, 163 n.1 (2d Cir. 1984); *Acton*

[5] We are only addressing the question of subject-matter jurisdiction and express no view on the binding effect of rulings by a coequal jurisdiction on other matters that do not affect the power of the court to rule on the subject matter of the case.

Corp. v. Borden, Inc., 670 F.2d 377, 379 n.2 (1st Cir. 1982); *United States v. Humphries*, 636 F.2d 1172, 1174 n.2 (9th Cir. 1980), *cert. denied*, 451 U.S. 988 (1981); *Green v. Department of Commerce*, 618 F.2d 836, 839 n.9 (D.C. Cir. 1980).

Of course, we need not under the facts of this case decide whether law of the case is *always* inapplicable to interlocutory jurisdictional rulings. We do find, however, that it should not foreclose reconsideration of the decision of the Federal Circuit ordering a transfer of the instant appeal to this court. The doctrine allows for reconsideration and reversal of even nonjurisdictional rulings that are manifestly incorrect, and we believe that the jurisdictional ruling at issue in this case was clearly wrong. In addition, this is not a case in which the jurisdictional determination turns on disputed facts. To the contrary, the basis for the lawsuit appears on the face of the complaint. Nor has there been a prior plenary appellate decision on the merits. Indeed, if this jurisdictional ruling had been made by a panel of this court, we would not hesitate to reconsider it. Furthermore, we should, in view of the policy embodied in § 1295 to centralize patent appeals, be especially sensitive to the allocation of jurisdiction between the regional circuits and the Federal Circuit.

The fact that this ruling was made by a sister circuit cannot alter that result. We do not think that an interlocutory jurisdictional ruling made by a coordinate tribunal is entitled to any greater deference than one of our own interlocutory jurisdictional rulings. It is true that a transfer should not give rise to a second opinion on every issue decided by the transferor court, but it is also true that transfer orders are not of a special breed and that a transfer should no more ossify prior rulings of a coordinate jurisdiction than it should require their routine reexamination. Predictability in litigation and comity among judicial colleagues are important, but they cannot allow one circuit either to enlarge or restrict improperly the jurisdiction of another. An action transferred from one

circuit to another under 28 U.S.C. § 1631 is still a single case and should be treated as nearly as possible like a case that remains in a single jurisdiction. Thus, under the authority of *Hoffman*, 363 U.S. at 340-41, 80 S. Ct. at 1088, we find that interlocutory jurisdictional rulings that result in a transfer should, to the extent practicable, have the same effect and significance that such rulings would have in litigation that is not transferred.[6] As we would have reexamined our own ruling, so may we reexamine that of the Federal Circuit.

We also note that the Federal Circuit has never considered itself constrained by the jurisdictional rulings of other circuits that result in a transfer to that court, and has even allowed the party that was successful in obtaining a transfer to the Federal Circuit to change its position and move for a return to the transferor forum. *See, e.g., Bray v. United States*, 785 F.2d 989 (Fed. Cir. 1986); *Hurick v. Lehman*, 782 F.2d 984 (Fed. Cir. 1986); *Chemical Engineering Corp. v. Marlo, Inc.*, 754 F.2d 331 (Fed. Cir. 1984); *cf. C.R. Bard, Inc. v. Schwartz*, 716 F.2d 874 (Fed. Cir. 1983). We perceive no reason why this power to reconsider the jurisdictional rulings of another circuit court should not be reciprocal. There is certainly no basis in law for the proposition that the Federal Circuit has greater latitude than the regional circuits in defin-

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[6] We note the Court's statement in *Hoffman*, 363 U.S. at 240 n.9, 80 S. Ct. at 1088 n.9, that the mandamus order at issue (which preceded the transfer) did not expressly reach the jurisdiction question. Thus, *Hoffman* does not directly address the effect of a transfer order that expressly rules on the jurisdictional issue. The Court's characterization of the mandamus order as interlocutory, however, is a powerful, albeit implicit, recognition that the preclusive effect of that order is to be determined by the doctrine of law of the case and not those of res judicata or collateral estoppel. *Cf. id.*, 363 U.S. at 345, 80 S. Ct. at 1090 (Stewart, J., concurring).

ing the boundary between its and the regional circuits' jurisdiction.[7]

We will, therefore, consider whether we possess appellate jurisdiction in the instant case. To do so, we must determine whether the Federal Circuit has exclusive jurisdiction over the appeal because, in the absence of 28 U.S.C. § 1295(a)(1), we clearly would. Section 1295(a)(1) sets forth the Federal Circuit's jurisdiction over patent, plant-variety, copyright, and trademark disputes and provides in relevant part:

> [The Federal Circuit] shall have exclusive jurisdiction . . . of an appeal from a final decision of a district court of the United States . . . if the jurisdiction of that court was based, *in whole or in part*, on [28 U.S.C. § 1338] . . . .

(emphasis added.)[8]

The primary purposes for the creation of the Federal Circuit were to provide greater uniformity in the substantive law of patents and to prevent the inevitable forum

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[7] There is also a prudential consideration involved here. The relevant portion of the transfer order in this case reads, in its entirety, as follows:

> Having reviewed the submissions of the parties, as well as the pleadings filed in the district court, the court can discern no basis for jurisdiction in the Court of Appeals for the Federal Circuit.

We believe that this order—like a summary affirmance, *see, e.g., Bowers v. Hardwick*, ____ U.S. ____, ____ n.4, 106 S. Ct. ____, ____ n.4 (1986); *Illinois State Board v. Socialist Workers Party*, 440 U.S. 173, 180-81, 99 S. Ct. 983, 988 (1979), or a decision of a motions panel, *see, e.g., EEOC v. Neches Butane Prods. Co.*, 704 F.2d 144, 147 (5th Cir. 1983)—has considerably less persuasive force than a full opinion on the complex questions presented.

[8] It should be noted that § 1295(a)(1) excepts from the Federal Circuit's jurisdiction those cases that involve claims concerning copyright or trademarks and no other claims. *See Interpart Corp. v. Italia*, 777 F.2d 678, 680 (Fed. Cir. 1985). Thus, the latter category of actions are still heard by the regional appellate courts.

shopping that results from conflicting patent decisions in the regional circuits. *Atari, Inc. v. JS & A Group, Inc.*, 747 F.2d 1422 (Fed. Cir. 1984) (en banc); *C.R. Bard*, 716 F.2d at 878. It is these concerns that animate the jurisdictional grant under § 1295 and inform our analysis of the jurisdiction question.

By granting the Federal Circuit exclusive jurisdiction over every case in which the district court's original jurisdiction was based "in part" on § 1338, § 1295 accords priority to patent issues. It is clear that the goal of uniformity would be difficult to achieve if a case must be solely or primarily based on the patent laws before § 1295 would be triggered. Thus, if any part of the district court's jurisdiction could have been based on § 1338, the Federal Circuit has exclusive jurisdiction over the entire appeal. Non-patent issues in the suit, even if they have their genesis in federal law, are for the purposes of establishing appellate jurisdiction considered pendent to the patent claims.[9] *See Interpart Corp. v. Italia*, 777 F.2d 678, 681 (Fed. Cir. 1985); *Sun Studs, Inc. v. Applied Theory Associates, Inc.*, 772 F.2d 1557 (Fed. Cir. 1985); *Cable Electric Products, Inc. v. Genmark, Inc.*, 770 F.2d 1015, 1029 (Fed. Cir. 1985); *Rhone-Poulenc Specialistes Chimiques v. SCM Corp.*, 769 F.2d 1569 (Fed. Cir. 1985); *Profes-*

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[9] The rules governing federal statutory jurisdiction were developed primarily to determine whether a case could be heard before a federal, as opposed to a state, court. In the context of § 1295, however, a different set of considerations comes into play because a judgment has already been rendered by a federal district court. Obviously, every case that "arises under" 28 U.S.C. § 1338 also "arises under" 28 U.S.C. § 1331, because the patent laws are a subset of the laws of the United States. However, for § 1295 to have any practical effect in centralizing patent appeals, that provision must mean that appellate jurisdiction depends on whether the jurisdiction of the district court *could* have been based on § 1338. Thus, the presence of other grounds for original federal jurisdiction cannot foreclose an appeal before the Federal Circuit; otherwise, there could be no such appeals, because, as noted above, all § 1338 cases are also § 1331 cases.

sional Managers' Association, 761 F.2d at 743-44; *Atari, Inc.*, 747 F.2d at 1429-38; *Panduit Corp. v. All States Plastic Manufacturing Co.*, 744 F.2d 1564, 1573 (Fed. Cir. 1984). This is true even though the non-patent claims might be resolved first and could, therefore, moot the patent claims. *Air Products & Chemicals, Inc. v. Reichhold Chemicals, Inc.*, 755 F.2d 1559, 1563-64 (Fed. Cir.), *cert. dismissed*, ___ U.S. ___, 106 S. Ct. 22 (1985).[10]

28 U.S.C. § 1338(a), to which § 1295(a)(1) refers, provides:

> The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trade-marks. Such jurisdiction shall be exclusive of the courts of the states in patent, plant variety protection and copyright cases.

Although there was initially some confusion regarding the interaction between § 1295 and § 1338, *see, e.g., Marsh v. Austin-Fort Worth Coca-Cola Bottling Co.*, 744 F.2d 1077, 1080 (5th Cir. 1984), it is now settled that § 1295 incorporates the traditional rules of statutory "arising under" jurisdiction. *See Gilson v. Republic of Ireland*, 787 F.2d 655 (D.C. Cir. 1986); *Dubost*, 777 F.2d at 1561; *Atari, Inc.*, 747 F.2d at 1435-36; *see generally Franchise Tax Board v. Construction Laborers Vacation Trust*, 463 U.S. 1, 103 S. Ct. 2841 (1983) (discussion of "arising under" jurisdiction).

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[10] Section 1295 may save costs by promoting uniformity, but, initially at least, it imposes new costs generated by jurisdictional uncertainty. *Cf. Van Drasek v. Lehman*, 762 F.2d 1065, 1070 (D.C. Cir. 1985); *Atari, Inc. v. JS & A Group, Inc.*, 747 F.2d 1422 (Fed. Cir. 1984) (en banc); *Professional Managers' Association v. United States*, 761 F.2d 740 (Fed. Cir. 1985). The instant appeal is but another in the burgeoning list of cases delineating, at considerable expense to the parties and the judicial system and no doubt considerable bewilderment to laymen, the boundaries of 28 U.S.C. § 1295(a)(1).

The term "arising under" appears in Article III of the Constitution. Chief Justice Marshall, writing for the Court in *Osborn v. Bank of United States*, 22 U.S. (9 Wheat.) 738, 822-27 (1824), concluded that this constitutional provision extended the grant of power to the federal judiciary to every case in which federal law potentially forms an ingredient of the claim. It is clear, however, that these same words, when used in a *statutory* grant of jurisdiction, *e.g.*, § 1338, have a narrower meaning and do not reach every case in which there may be a federal component. *Franchise Tax Board*, 463 U.S. at 8 n.8, 103 S. Ct. at 2846 n.8. Nonetheless, as Justice Frankfurter observed in *Textile Workers Union v. Lincoln Mills*, 353 U.S. 448, 470, 77 S. Ct. 923, 928 (1957) (Frankfurter, J., dissenting), "The litigation-provoking problem has been the degree to which federal law must be in the forefront of the case and not collateral, peripheral or remote."

There are two types of cases that may be said to "arise under" the patent laws for the purposes of § 1338 that are relevant to the disposition of this appeal.[11] First, as Justice Holmes stated in *American Well Works Co. v. Layne & Bowler Co.*, 241 U.S. 257, 260, 36 S. Ct. 585, 586 (1916), "A suit arises under the law that creates the cause of action." In *American Wells*, where the claim was injury to a business involving slander of patent, the Court found that "[w]hether it is a wrong or not depends upon the law of the state where the act is done," so that the suit did not arise under the patent laws. Nonetheless, although Holmes's "creation" test may be helpful in identifying many cases that come within the district court's original jurisdiction, it has limited value in identifying those that do not. *See Franchise Tax Board*, 463 U.S. at 8-9, 103 S. Ct. at 2846.

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[11] Judge Friendly stated that there was a third category, *i.e.*, a case in which a distinctive policy of the patent laws requires that federal principles control the disposition of the claim. *T.B. Harms Co. v. Eliscu*, 339 F.2d 823, 828 (1964), *cert. denied*, 381 U.S. 915 (1965). However, we need not consider this class of cases to resolve the jurisdictional question before us.

Second, a case arises under the patent laws where the vindication of a right under a non-patent law calls for a determination of the meaning or application of a patent law. *T.B. Harms Co. v. Eliscu*, 339 F.2d 823 (2d Cir. 1964) (Friendly, J.), *cert. denied*, 381 U.S. 915 (1965); *see also Franchise Tax Board*, 463 U.S. at 9, 103 S. Ct. at 2846. In the words of the Federal Circuit, the case arises under § 1338 if the plaintiff seeks to vindicate a right or interest "that would be defeated by one or sustained by an opposite construction" of the patent laws. *Beghin-Say International, Inc. v. Ole-Bendt Rasmussen*, 733 F.2d 1568, 1570 (Fed. Cir. 1984); *see also Dubost*, 777 F.2d at 1565.

Of course, the determination whether a case fits within either of these two categories must be made in light of the "well-pleaded complaint" doctrine, which requires that the plaintiff's complaint establish that the case "arises under" federal law. As the Supreme Court observed in *Franchise Tax Board*, 463 U.S. at 10, 103 S. Ct. at 2846 (quoting *Taylor v. Anderson*, 234 U.S. 74, 75-76, 34 S. Ct. 724, 724 (1914)):

> [W]hether a case is one arising under the Constitution or a law or treaty of the United States, in the sense of the jurisdictional statute . . . , must be determined from what necessarily appears in the plaintiff's statement of his own claim in [the complaint], unaided by anything alleged in anticipation of avoidance of defenses which it is thought the defendant may interpose.

See also Louisville & Nashville Railroad Co. v. Mottley, 211 U.S. 149, 29 S. Ct. 42 (1908). The doctrine serves an important purpose in the scheme of federal jurisdiction, because it limits the scope of the district court's original jurisdiction. It is not clear when a court exercises original jurisdiction what issues will actually arise in the litigation. A federal question could appear in the course of virtually every lawsuit. Thus, to base original federal jurisdiction on merely potential federal questions would render illusory the Article III limitation that confines the power

of the federal judiciary to specifically enumerated classes of cases. Accordingly, federal jurisdiction is thought to be more appropriate where issues of federal law are likely to dominate. The well-pleaded complaint doctrine is based on the assumption that if the *plaintiff* relies on federal law in stating his claim, federal questions are more likely to dominate the litigation; thus, the doctrine helps preserve the balance of authority between state and federal courts. *See generally* Note, *Federal Preemption, Removal Jurisdiction, and the Well-Pleaded Complaint Rule*, 51 U. Chi. L. Rev. 634, 636-646 (1984).

We, however, are to consider the "well-pleaded" allegations *necessary* to the substance of the plaintiff's claim. These "necessary" allegations may or may not appear in the actual complaint. *See Franchise Tax Board*, 463 U.S. at 22-23, 103 S. Ct. at 2853; *Skelly Oil Co. v. Phillips Petroleum Co.*, 339 U.S. 667, 70 S. Ct. 876 (1950). Thus, we are not bound by the omissions of the parties or the district court, and may recharacterize the claims appearing in that pleading. In addition to the language of the complaint, we may also consider arguments made outside the pleadings to determine the substance of the action.[12]

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[12] At an earlier time, it was the rule that jurisdiction "must be disclosed upon the face of the complaint, unaided by the answer" or any other paper filed in the proceeding. *Gully v. First National Bank*, 299 U.S. 109, 113, 57 S. Ct. 96, 98 (1936). Thus, it was often said that the plaintiff, as the master of his complaint, could determine which court had jurisdiction over the action. *See The Fair v. Kohler Die & Specialty Co.*, 228 U.S. 22, 25, 33 S. Ct. 410, 411 (1913). However, under the current state of the law, the rule that the actual language of the complaint is dispositive no longer applies. For example, as the Supreme Court noted in *Franchise Tax Board v. Construction Laborers Vacation Trust*, 463 U.S. 1, 22, 103 S. Ct. 2840, 2853 (1983), "[I]t is an independent corollary of the well-pleaded complaint rule that a plaintiff may not defeat [federal jurisdiction] by omitting to plead the necessary federal questions in a complaint." *See also Avco Corp. v. Aero Lodge No. 735*, 390 U.S. 557, 88 S. Ct. 1235 (1968). It is still true, however, that the necessary factual allegations are to appear in the complaint and "may not be gleaned from the briefs and arguments themselves." *Bender v. Williamsport Area School District*, ___ U.S. ___, ___, 106 S. Ct. 1326, 1334 (1986).

See Williams v. Secretary, 787 F.2d 552 (Fed. Cir. 1986); *Interpart Corp.*, 777 F.2d at 680-81; *Yarway Corp. v. Eur-Control USA, Inc.*, 775 F.2d 268, 273 (Fed. Cir. 1985); *Wronke v. Marsh*, 767 F.2d 354 (7th Cir. 1985); *Van Drasek v. Lehman*, 762 F.2d 1065 (D.C. Cir. 1985); *Maier v. Orr*, 754 F.2d 973, 980-82 (Fed. Cir. 1985); *Chemical Engineering Corp. v. Marlo, Inc.*, 754 F.2d 331, 333-34 (Fed. Cir. 1984). We may look to the position the plaintiff adopted in, for example, his motion for summary judgment. To otherwise limit the scope of our inquiry would encourage forum shopping, because a plaintiff could refer obliquely in his complaint to the patent claim he actually seeks to prosecute and then press it vigorously (and perhaps successfully) in a subsequent dispositive motion or at trial, yet isolate himself from review by the Federal Circuit. *Cf. Franchise Tax Board*, 463 U.S. at 22, 103 S. Ct. at 2853; *Marsh v. Austin-Fort Worth Coca-Cola Bottling Co.*, 744 F.2d 1077, 1079 n.4 (5th Cir. 1984).

It remains to apply these principles to the instant case. The complaint states that Christianson seeks recovery for violations of the federal antitrust laws, but, as the discussion above demonstrates, that recitation is not controlling. The pleading contains no reference to any jurisdictional statute, although the allegations indicate that there would be original subject-matter jurisdiction under at least 28 U.S.C. §§ 1331 (federal question) and 1332 (diversity). *See Caldwell v. Miller*, 790 F.2d 589, 595 (7th Cir. 1986) (complaint need not set forth statutory basis for subject-matter jurisdiction; allegations of jurisdictional facts alone are sufficient). The district court's order, which states only that there was original subject-matter jurisdiction under "28 U.S.C. § 1332 and 15 U.S.C. §§ 4, 15 and 26," provides little guidance. Christianson did not request in the complaint specific relief under the patent laws.[13]

[13] Christianson does include a prayer for attorney's fees, but this request is ambiguous, because both the patent and antitrust laws provide for such awards, *see* 15 U.S.C. § 15, 26; 35 U.S.C. § 285. In addition, the wording of the request for fees suggests that it

(Footnote continued on following page)

Under Holmes's "creation" test, the complaint filed in this action does not "arise under" the patent laws of the United States. In view of the inadequacy of the "creation" test as an exclusionary principle, however, this observation does not conclude the inquiry. As noted earlier, there are other tests to consider, and we find that the instant dispute falls within the second category of "arising under" cases described above, because Christianson's right to recovery, although ostensibly based on the antitrust laws, "would be defeated by one or sustained by an opposite construction" of the patent laws. *Beghin-Say International, Inc. v. Ole-Bendt Rasmussen*, 733 F.2d 1568, 1570 (Fed. Cir. 1984); *see also Dubost*, 777 F.2d at 1564-65; *Ostow & Jacobs, Inc. v. Morgan-Jones, Inc.*, 189 F. Supp. 697 (S.D.N.Y. 1960). Stated in another manner, the plaintiff must establish that his interpretation of the patent laws is correct in order to prevail, as the following discussion will demonstrate.

Christianson alleges that Colt held a monopoly in the relevant weapon market as a result of its patent rights. However, if Colt had complied with the disclosure requirements of 35 U.S.C. § 112, "anyone 'who has ordinary skill in the rifle-making art' [would be] able to use the technology of such expired patents for which Colt earlier had a monopoly for 17 years." Complaint ¶ 18. Christianson maintained by implication in the complaint, and expressly in its summary-judgment papers, that the information needed to make the parts was not available so that Colt must necessarily have withheld that information in violation of § 112. The crux of the plaintiff's case is that, by failing to make the necessary disclosures under § 112, Colt is extending its exclusionary rights beyond the 17-year life of the M16 patents, a result inconsistent with the objec-

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[13] *continued*
refers to the antitrust provision. In any event, Christianson does not seek an express remedy under the patent laws; with no recovery specifically requested under the substantive provisions of Title 35, it is unlikely that the plaintiff would ask to obtain attorney's fees under the patent laws.

tives of the patent system. Christianson's allegations (especially those concerning the antitrust violations) are completely inconsistent with the position that Colt *complied* with § 112 and that it is now attempting to maintain as trade secrets information already in the public domain due to the disclosures in the relevant patent applications. We agree, therefore, with the district court's statement that the plaintiff's position was that Colt, due to its failure to make full disclosures of its claims of invention, could not assert its claims of trade secrecy against Christianson.

The silence of the complaint on certain issues is as telling as its declarations. For example, the abuse by the defendant of the patent and trade-secrets law was the only basis Christianson asserted in the complaint for the alleged antitrust violation, and the only ground asserted for invalidity of the trade secrets was the withholding of information in contravention of § 112. Thus, if Christianson's interpretation of that provision is incorrect, then Colt (1) has not improperly extended its patent monopoly by way of trade-secret law and (2) has simply engaged in a vigorous campaign to protect its allegedly proprietary information. After considering the substance of the complaint, then, we find that Christianson was necessarily seeking to vindicate a right or interest that would be defeated by one or sustained by the opposite construction of the patent laws. This case, then, "arose under" those laws, so that the district court's original jurisdiction was based in part on § 1338. The Federal Circuit, therefore, has exclusive jurisdiction over this appeal under § 1295.

Christianson's position that he only mentioned § 112 in his complaint in anticipation of a defense Colt would raise is disingenuous, to say the least. That the defendant might advance a different construction of a federal statute does not mean that the plaintiff's reference to the provision in the complaint was necessarily made to foreclose a defense. *See The Fair v. Kohler Die & Specialty Co.*, 228 U.S. 22, 25, 33 S. Ct. 410, 411 (1913) ("[W]hen the plaintiff bases his cause of action upon an Act of Congress, jurisdiction cannot be defeated by a plea denying the merits of the claim."). The complaint may be sketchy, but

it leaves no doubt that Christianson was relying on that pleading (Count 1 of which was never amended) to obtain a determination that Colt's patent applications failed to comply with the disclosure requirements of § 112. The summary-judgment proceedings also confirm our initial interpretation of the complaint. Because his only theory for the invalidation of the trade secrets was Colt's failure to comply with § 112, Christianson's argument that he expected Colt to assert that its patents were valid cannot mean that he was anticipating a defense.[14] Thus, we find that Christianson's argument that patent validity was a "defense" only serves to confirm that he was relying on Colt's alleged noncompliance with § 112 as the basis for his own cause of action.

III

For the reasons stated above, we find that this court does not have jurisdiction over this appeal and order that the case be transferred to the Federal Circuit pursuant to 28 U.S.C. § 1631.

A true Copy:

Teste:

Clerk of the United States Court of Appeals for the Seventh Circuit

[14] If Christianson is saying that Colt fully complied with § 112, but, nonetheless, attempted to make a trade secret out of that which was in the public domain, then there is no reason for Colt to present the "defense" of patent validity, because both sides are then in agreement. In other words, the defendant's allegation of patent validity cannot be a defense to the plaintiff's allegation of patent validity.

APPENDIX G

United States Court of Appeals for the Federal Circuit

CHARLES R. CHRISTIANSON AND INTERNATIONAL TRADE SERVICES, INC., *Appelles*,	)	Appeal No. 85-2644
v.	)	
	)	ON MOTION
COLT INDUSTRIES OPERATING CORP., *Appellant.*	)	

Before MARKEY *Chief Judge*, BALDWIN, and BISSELL, *Circuit Judges*.

ORDER

The court has before it a motion by appellee Charles Christianson and International Trade Services, Inc. to transfer this appeal to the United States Court of Appeals for the Seventh Circuit.

Having reviewed the submissions of the parties, as well as the pleadings filed in the district court, this court can discern no basis for jurisdiction in the Court of Appeals for the Federal Circuit.

THEREFORE IT IS ORDERED:

that this appeal is transferred to the Court of Appeals for the Seventh Circuit.

FOR THE COURT

12/4/85
Date

/s/ Jean Galloway Bissell
Circuit Judge

APPENDIX H

JUDGMENT – ORAL ARGUMENT

UNITED STATES COURT OF APPEALS
For the Seventh Circuit
Chicago, Illinois 60604

March 22, 1989.

Before

Hon. WALTER J. CUMMINGS, *Circuit Judge*
Hon. JOEL M. FLAUM, *Circuit Judge*
Hon. THOMAS E. FAIRCHILD, *Senior Circuit Judge*

CHARLES R. CHRISTIANSON and
INTERNATIONAL TRADE SERVICES, INC.,
Plaintiffs-Appellees,

No. 88-2492 vs.

COLT INDUSTRIES OPERATING CORPORATION,
Defendant-Appellant.

Appeal from the United States District Court
for the Central District of Illinois, Rock Island Division.
No. 84 C 4056—**Robert D. Morgan**, *Judge.*

This cause was heard on the record from the United States District Court for the Central District of Illinois, Rock Island Division, and was argued by counsel.

On consideration whereof, IT IS ORDERED AND ADJUDGED by this Court that the judgment of the said District Court in this cause appealed from be, and the same is hereby, REVERSED, with costs, and the cause is REMANDED, in accordance with the opinion of this Court filed this date.

APPENDIX I

COLT INDUSTRIES – COLT'S FIREARMS DIVISION

INTEROFFICE

To: Mr. R. Fremont
Date: November 21, 1969

Customer
or
Subject .22 Rim Fire Conversion –M16

The conversion unit your Dept. has under development appears to be in line with the market requirements.

This item has a fairly large captive market in the M-16 military training area. Also it can be sold on the commercial market.

In this day of definite coolness by the military on proprietary items, the conversion unit is one proprietary item which can be sold "off the shelf". In order for this to happen we must take steps to produce the unit as soon as possible.

I believe the unit can be sold for about $60 retail and between $40 - $50 to the Government on volume buys. I estimate the market at 100,000 units for the military.

Please indicate the plans of your Department to move toward production of the conversion unit.

I will need 10 production samples for military evaluation. These will be loaned or sold for regular production price. These samples should be submitted as soon as possible in order to get the Government to program funds during FY 1971 for procurement and to have any chance of sales during 1970.

/s/ L. B. SHARP
d L. B. Sharp

cc: W. H. Goldbach
J. B. Hall
J. P. Kelley

COMPANY CONFIDENTIAL

APPENDIX J

April 10, 1984

Mr. Bruce Lambert
Lone Star Ordnance
P.O. Box 29404
San Antonio, Texas 78229

Dear Mr. Lambert:

I would like to clarify some points raised in your March 7, 1984, letter, as well as your December 30, 1983, letter to Mr. Stone, which has been referred to me.

Enclosed is a copy of Colt's federal registration for "AR-15." "M16" is not federally registered, nor did I state it was. It is a common law mark associated with Colt and a representation of quality and designation of origin under the federal Lanham Act. "M16" means the rifle and parts are manufactured by or under license from Colt and accepted by the United States Army as its standard rifle, which meets or exceeds all of the military specifications, including government specified inspection and testing.

You raise the question of "reverse-engineering." In theory, "reverse-engineering" may not infringe Colt's rights, provided, among other things, that the designer legitimately "reverse-engineers" parts that do not infringe any unexpired Colt patents, using information derived solely from his analysis of the parts and not Colt or Colt-derived proprietary information. In practice, however, Colt and others who have considered the problem seriously question whether such an undertaking is possible, in that the resulting parts would not in fact be equivalent to and interchangeable with Colt parts. A part that does not carry an assurance of interchangeability with existing "M16" parts should not in any circumstances be designated, labeled, or advertised as an "M16" part.

I would also like to clarify what may be a misunderstanding about what you refer to as "the right to re-sell parts that are

available in the open market from legitimate sources." We would not dispute your statement as such, but point out two crucial questions: What is a legitimate source, and how are resold parts being labeled and advertised? We do not as yet know the source of the parts you are selling, and one of the purposes of my letter was to inquire about your sources and to put you on notice of one flagrantly illegitimate source of which we have become aware: Charles Christianson and his International Trade Services company. Foreign licensees of Colt are also forbidden by contract as well as by United States laws and regulations to make such sales.

In fact, the only legitimate source of "M16" parts is Colt, inasmuch as the United States Government, Colt's only current licensee, is forbidden by its license from selling "M16" rifles or parts commercially and by its own regulations from selling usable surplus parts; and suppliers of Colt and the Government are contractually precluded from selling parts made with Colt proprietary data, as are foreign licensees of Colt. If you are selling used or reconditioned "M16" parts, then it is false or deceptive to designate, label or advertise them as though they were new.

Because of your specific inquiry, I advise you that Colt is the owner by assignment of the following unexpired United States Letters Patent relating to certain features of Colt's "M16" rifles: No. 3,366,011 (Buffer Assembly) issued January 30, 1968; No. 3,618,24 (Buttstock Assembly) issued November 9, 1971; No. 3,440,751 (Magazine) issued April 29, 1969; and No. 3,619,929 (Magazine) issued November 16, 1971; and No. 3,348,328 (Adjustable Buttstock Assembly) issued October 24, 1967.

If your letters were written in good faith and to avoid potential litigation, as I assume they were, then I would urge you to write or call me about the sources of the parts you have been selling and to ensure that your future sales and advertising do not violate Colt's rights.

Very truly yours,

/s/ Kim J. Landsman

APPENDIX K

September 14, 1984

Mr. Bruce Lambert
Lone Star Ordnance
P.O. Box 29404
San Antonio, Texas 78229

Dear Mr. Lambert:

I appreciate the time and thought put into your June 6, 1984, letter, as well as your confirmation that Lone Star will change its advertising to avoid the problems I have previously raised. I also apologize for the length of time taken to respond. Although I hope that there will be no need for continued lengthy correspondence, several points raised in your letter deserve a response.

The authority for my statement as to the meaning of "M16" consists of caselaw under the Lanham Act. The origin of a term for a product, or even a nickname, is not determinative of whether the term may be considered a trademark. What matters is whether the source of the product has adopted the term and whether that term has become associated with a single source. Thus, that "M16" is a designation that came from the Army is not determinative; what is determinative is that Colt adopted and has advertised that designation, and that it has come to be associated with one source: Colt. You may also wish to know that the Final Judgment in the Springfield Armory litigation enjoins those defendants from "using the designation 'M16' other than to refer to rifles or parts made by Colt or pursuant to its licenses an made to Colt or U. S. Government specifications." A copy of the judgment is enclosed.

I also enclose, per your request, a copy of the U. S. Government's demilitarization manual. The Government is also prohibited by its license agreement with Colt, by which it obtained the ability to have "M16" parts made for it, from selling "M16" parts commercially. We appreciate your information that the

Government has not always complied with its demilitarization regulations and license agreement and intend to pursue the problem with the Government. Nevertheless, whether or not there is a legal barrier to your buying Government surplus, you are still obliged not to mislead the public about the source or quality of the parts obtained — *e.g.*, used or salvaged parts should not be advertised as though they were new. Note, in this respect, paragraph 2(h) of the enclosed Consent Judgment.

As to your comments about reverse engineering, you have greatly oversimplified the problem in stating that it can be done with a microcomputer, good measuring instruments, and a cheap computer program. The most sophisticated computer's product is no better than the information put in and the program used to evaluate it. Whatever information is placed into the computer from the standpoint of raw data such as tolerances and dimensions can only be made meaningful if properly oriented by the use of baselines, datums, basic dimensions, etc. Much of this, beyond a very rudimentary level, would entail a very sophisticated set of software that would have to be written specifically for this task, and would be nearly impossible without knowledge of currently used information from Colt drawings.

As to the ability you claim to be able to establish tolerances from measuring ten parts, all that measuring ten parts could possibly give you is a projected tolerance range of those parts, not the acceptable tolerance spread necessary for all such parts. You beg the question by speaking of "evaluating a sufficient number of representative parts." How would you know whether any specific ten parts you were measuring were representative? You would not in fact know whether any given parts were made consecutively yesterday or over a span of many years. Nor would you know whether one or more of the parts fell outside the tolerance band if, for example, they were accepted on waiver, or whether the dimensions and tolerance spread measured were acceptable to the mating sets of tolerances in another sub-assembly or assembly.

Consider, for example, a dimension that is produced by the size of the cutter used, such as the width of a slot. A new cutter is made to the maximum size possible to produce a slot width within tolerance. This new cutter cuts slots to the maximum width end of the tolerance spread and continues to make pieces in this area until the cutter becomes dull, after perhaps 500 pieces, depending upon conditions. The cutter is then reground to sharpen it. It now produces slot widths which all tend to be smaller than those produced with the new cutter. This process of regrinding continues until the cutter is producing slot widths at the minimum width end of the tolerance spread. After that point, it is discarded. It seems very unlikely to me that by measuring the slot width of ten pieces produced with, say, a new cutter you would deduce either the correct basic dimension or the correct tolerance.

Finally, I am not surprised that Mr. Christianson told you that the parts he sold were equal in quality to Colt-made parts, since the evidence is that he illegally bought them from a Colt supplier. We have been told that this activity has ceased.

I hope this letter will lay the issues to rest. If you have any further questions, please feel free to write or even call.

Very truly yours,

/s/ Kim J. Landsman

APPENDIX L

IN THE
UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF ILLINOIS
ROCK ISLAND DIVISION

CHARLES R. CHRISTIANSON and
INTERNATIONAL TRADE SERVICES, INC.,
a Massachusetts corporation,

Plaintiffs,

VS.

COLT INDUSTRIES OPERATING CORP.,
a Delaware corporation,

Defendant.

Civil Action No. 84-4056

AFFIDAVIT OF SETH BREDBURY

County of Hartford
State of Connecticut—ss

Seth Bredbury, being duly sworn, states:

1. I am a United States citizen, 43 years old, and reside at Beech Hill Road, Colebrook, Connecticut.

2. I received a Bachelor of Science degree from the Massachusetts Institute of Technology in 1964. After graduation from M.I.T., I was employed by the United States government's Springfield Armory in a training program. Springfield Armory was engaged in the design and production of military small arms and I became a test engineer involved in testing those products.

* * *

8. I have reviewed each of the patents in question, and have read the plaintiffs' arguments concerning those patents set forth at pages 45-100 of their brief in this case. I am of the opinion in each instance that the specification and drawing of the patent contains sufficient information to have enabled one of ordinary skill in the art of firearms design and production to make the claimed invention without undue experimentation. It would have been difficult, and in some cases probably impossible, for such a person to have made the claimed parts or subassemblies to dimensions and tolerances that would assure them of interchangeability with "M16" parts or subassemblies made by Colt or pursuant to its licenses. But I do not understand that any claim of any of those patents is directed to an "M16" rifle, nor to a part of subassembly which is interchangeable with parts or subassemblies made by Colt or pursuant to its licenses. Moreover, it is my opinion that one of ordinary skill in the art of design and production of firearms would have been able, as of the filing date in each instance, using his ability and experience, with standard reference works and tools, to produce small arms having parts and subassemblies as claimed in those patents which parts and subassemblies would have been interchangeable with one another ("internal interchangeability"). As I have previously testified and plaintiffs note in their brief (page 41), Colt's patents could be used to design a firearm very much like an "M16" rifle and, with sufficient skill and resources, that could function as well as an "M16" rifle with internally interchangeable parts. Without Colt's proprietary drawings, however, the actual production of parts with the assurance of interchangeability with existing "M16" rifles would be a formidable and probably impossible task. I am aware of no one who has legitimately and successfully reversed engineered an "M16" part of any complexity and those who, like Springfield Armory, claimed to do so but in fact just copied the drawings.

* * *

12. United States Patent No. 3,236,155 is discussed beginning at page 45 of plaintiffs' brief. The '155 patent issued February 22, 1966 on an application filed July 8, 1964, in the name of the inventor, F.E. Sturtevant, and is now expired. The '155 patent is directed to a manually operated auxiliary bolt closure mechanism. The patent drawings illustrate the use of a such a mechanism in an "M16" rifle, and I know that it was used in the "M16A1" production version. In my opinion the mechanism could be used with many other gas-operated automatic or semi-automatic firearms with enclosed bolts. Claims 1-7 define the mechanism in a gas-operated firearm, while claims 8-15 are specific to the mechanism subassembly itself. In my opinion, one of ordinary skill in the art of designing and producing firearms as of July 1964 would have been able, based on a study of the '155 patent disclosure, to produce a gas-operated firearm of the type shown incorporating the invention defined in claims 1-7, or make a subassembly as defined in claims 8-15 and incorporate it into such a gas-operated firearm, without undue experimentation. The '155 patent drawings and specification clearly show how the claimed invention interacts and integrates with a particular gas-operated firearm, the "M16" rifle. Plaintiffs apparently do not contend (see Br. pp. 52-53) that any elements or features of the claimed invention that are shown in the preexisting drawings were omitted from the '155 patent disclosure, and I am not aware, and have not been advised, of a better mode that existed as of July 1964 for practicing the claimed invention than that disclosed in the patent. As best I can determine from plaintiffs' brief, their only contention is that the '155 patent does not disclose production specifications and therefore does not explicitly teach how to make parts and subassemblies that would be interchangeable with those of a genuine Colt "M16" rifle, but the patent claims do not require that the parts and subassemblies be interchangeable in that manner.

* * *

17. United States Patent No. 3,766,822 is discussed beginning at page 89 of plaintiffs' brief. The '822 patent issued October 23, 1973 on an application filed January 6, 1972 as a continuation in part of an application filed September 18, 1970 in the name of the inventor, N. Sophinos. The '822 patent is directed to a blank firing adaptor for a gas-operated firearm. The claimed adaptor was produced for use with the "M16" rifle. In my opinion the adaptor could be used with almost any gas-operated firearm having a flash suppressor, and I have been advised that it is being used with the Canadian version of the "M16A2" rifle. The claims call for an adaptor for a gas-operated firearm, and the only recited environmental limitations associated with the firearm with which it is to be used are the barrel and flash suppressor; these are also the only firearm elements shown in the drawing. In my opinion, one of ordinary skill in the art as of January 1972 would have been able, based on a study of the '822 disclosure, to produce a blank firing adaptor as defined in the claims for use with virtually any desired gas-operated firearm having a flash suppressor, without undue experimentation. Plaintiffs apparently do not contend (see Br. p. 91) that any elements or features of the claimed inventions that are shown in the preexisting drawings were omitted from the '822 patent disclosure, and I am not aware, and have not been advised, of a better mode that existed as of the patent application filing date for practicing the claimed invention than that disclosed in the patent. As best I can determine from plaintiffs' brief, their only contention is that the '822 patent does not disclose production specifications sufficient to teach how to make a blank firing adaptor that would be interchangeable with those used in a genuine Colt "M16" rifle but the patent claims do not require that the adaptor be interchangeable in that manner. Moreover, it is my opinion that one of ordinary skill in the art as of January 1972 would have been able to make an adaptor to fit an "M16A1" flash suppressor by routine measurement.

APPENDIX M

IN THE
UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF ILLINOIS
ROCK ISLAND DIVISION

COLT INDUSTRIES OPERATING CORP.,
FIREARMS DIVISION,

Plaintiff,

v.

SPRINGFIELD ARMORY, INC., and
ROCK ISLAND ARMORY, INC.,

Defendants.

Civil Action No. 83-4072

AFFIDAVIT OF RADFORD W. LUTHER

I, RADFORD W. LUTHER, being duly sworn, depose and say as follows:

1. I am Patent Counsel for Colt Industries Operating Corp (CIOC), a wholly owned subsidiaries of Colt Industries Inc (Colt). The Firearms Division is a division of CIOC, and my responsibilities include all patent matters relating to the Firearms Division. In that capacity, I have been called upon frequently to evaluate the patents of CIOC and others for a determination of possible infringement. I have had over thirteen years' experience with CIOC and their firearms technology.

2. I hold the degree of Bachelor of Science in Mechanical Engineering from the University of Maine, and Bachelor of Science in Electrical Engineering from the University of Hartford. I also hold the degree of Juris Doctor from the University of Connecticut School of Law. I am a member of the Connecticut Bar and am registered to practice before the United States Patent and Trademark Office. I have had fourteen years' experience as an engineer and over twenty-three years of patent experience.

3. I am advised that the following drawings were supplied by the defendants in the above-identified litigation, and that these drawings purport to depict portions of a rifle, designated the XM-15 (M-16), which is involved in the above-identified litigation.

Exhibit A: "Assembly - Lower Receiver and Buttstock," drawing no. 8448-604.

Exhibit B: "Sub Assembly - Buffer, XM15 Rifle," drawing no. 8448-615.

Exhibit C: "Butt Stock - XM15 Rifle," drawing no. 8448-651.

Exhibit D: "Assembly - Butt Plate, XM15 Rifle," drawing no. 8448-656.

A copy of each of these drawings is attached hereto.

4. In addition to inspecting the foregoing drawings, I have examined a completely disassembled "Model XM-15 A-1" rifle, serial no. 00518, which was supplied to CIOC by the defendants, and said to be representative of the Model XM-15 (M-16) rifles which are the subject of the above-identified litigation.

5. CIOC is the owner of the entire interest in, and has the right to sue for infringement of each of the following United States Patents:

Exhibit	Patent No.	Patentee	Issue Date
E	3,366,011	Sturtevant	January 30, 1968
F	3,618,248	Into et al.	November 9, 1971
G	3,348,328	Roy	October 24, 1967

None of these patents has previously been the subject of litigation. A copy of each of these patents is attached hereto.

6. I have analyzed each of the patents, Exhibits E-G, and have concluded that each is infringed by the XM-15 (M-16) rifle shown in Exhibits A-D, for the reasons given below.

7. Claim 1 is the broadest claim of U.S. Patent No. 3,366,011 (Exhibit E). That claim reads as follows:

> 1. In an automatic firearm, a receiver having a longitudinal cavity, a bolt assembly mounted in said cavity for reciprocal movement between recoil and battery positions, a recoil assembly mounted in said cavity for rectilinear movement with said bolt assembly between recoil and battery positions, said recoil assembly comprising means to bias the bolt assembly toward battery position and a buffer mounting an elongated mass segmented into a plurality of coaxial weights, said weights having a lost motion connection with said buffer and with each other for transmitting to the bolt assembly the force resulting from their inertia in moving toward battery position in a delayed sequence after the bolt assembly reaches battery position.

Each of the elements of claim 1, in the arrangement described, is shown in Exhibit A and/or in Exhibit B, with the exception of a "bolt assembly." However, it is apparent that the "XM-15 (M-16)" rifle must have a bolt assembly, as described and claimed in Exhibit E in order to constitute an operable firearm. Moveover, each of the elements shown in Exhibits A and B, as well as a bolt assembly were present in the disassembled rifle which I examined, as described in Paragraph 4 hereof.

* * *

10. Based on the foregoing analysis, I have concluded that the rifle which is partially depicted in Exhibits A-D

would directly and literally infringe at least one claim of each of the attached CIOC patents, Exhibits E-G.

/s/ RADFORD W. LUTHER
Radford W. Luther

State of Illinois
County of Cook—ss:

Subscribed and sworn to before me this 3rd day of October, 1983.

/s/ SHARON F. STEWART
Notary Public
My Commission Expires 5/18/87

APPENDIX N

Mr. W. J. Hutchins — Jan. 17, 1964

F. E. Sturtevant

Description of Positive Bolt Closure Device

This invention relates to an automatic rifle having a reciprocating bolt mechanism which is returned to the closed or battery position by a recoil spring. It is essential that the bolt be fully closed and locked in order to fire the weapon.

Because of a distorted cartridge, dirt, or other reasons, the bolt may become stalled at some point in its travel and fail to completely close. Means are required so that the rifleman can positively close the bolt during any part of its travel in the event of failure to close in the normal fashion.

It is most desirable to accomplish this closure without moving parts on the exterior of the weapon. Such moving parts are dangerous to the operator and may become fouled with clothing or other objects. Under these conditions the bolt recoil may be greatly reduced or even prevented so that the rifle fails to recoil sufficiently to reload for the next shot.

Referring to drawing GX5041, a general view of the invention is shown in which the assist mechanism is arranged on the right hand side of the rifle and at a 20° angle to the axis of the bolt. The upper left view shows an external view of the weapon in which this device has been incorporated. The upper right view shows the invention in the retracted condition while the lower view shows the device in the engaged position.

It is obvious that this mechanism can be placed on either side of the weapon and that any angle within reason relative to the bolt carrier can be used.

The operation of the device is as follows:

> In the event that the bolt carrier is stalled for any reason, the rifleman presses forward on the protruding knob 62266. Such pressure causes the knob and related parts to move forward against the pressure of spring 62271. The pawl 62269 which has been held out of engagement with the bolt carrier teeth when in the rearmost position, by the cross pin 95126, is now released. Under pressure of spring 50381 and plunger 62270, the pawl is free to swing inward, pivoting on pin 95113 to engage the teeth in bolt carrier 62274. Since the bolt carrier teeth extend for the full length of carrier movement, engagement of the pawl 62269 can occur at any portion of the bolt carrier travel. Continued pressure of the knob 62266 will thus force the bolt carrier forward at any increment of its travel.

When the obstruction to the normal movement of the bolt carrier is overcome, it is possible that the recoil spring 61581 will take over and force the bolt carrier forward into the battery position. In this event the pawl 62269 even though held in the engaged position, can recede from the bolt carrier teeth since it has been spring pressed into engagement by the spring 50381. It is obvious that the pawl will not be damaged nor will it interfere in any way with the forward movement of the belt carrier even though the knob is held in the forward position.

Should the obstruction to the bolt carrier movement continue, and the bolt carrier does not move forward under the pressure of the recoil spring 61581 after the knob 62266 has been pressed, then the knob should be released. It will then return under pressure of the spring 62271 to its retracted position as shown in upper right hand view of GX5041. If now the knob is again pressed forward, the pawl, released by the forward movement, will engage the bolt carrier teeth at a point approx. two notches rearward from the tooth from which it was released. Successive operations of this nature will move the bolt carrier forward into the battery position.

Should the weapon be fired when the knob 62266 is under forward pressure and the pawl is engaged with the bolt carrier teeth, the knob and related parts will be forced rearward by the recoil of the bolt carrier. When the knob approaches the rearmost position, the rib of the pawl at "A" will contact cross pin 95126 which will cause the pawl to be lifted out of engagement with the bolt carrier teeth. The bolt carrier is now free to continue to recoil in the normal manner.

Since the pawl is positively held out of engagement with the bolt carrier teeth by the combined action of spring 62271, and cross pin 95126, it is obvious that the mechanism in its normal retracted position can have no detrimental effect upon the normal operation of the weapon. It is also obvious that under normal conditions no external components of the mechanism can move when the weapon is fired.

Since the shank of the knob 62266 is circular at "B", and fits closely into the upper receiver, there is no more possibility that foreign matter can enter the rifle at this point than at several other points where small openings occur.

From the above description it can be seen that the design objectives—no exterior moving parts—and no openings in which foreign matter may enter the interior of the rifle—has been achieved.

/s/ F. E. STURTEVANT
F. E. Sturtevant

FES:roc

Attach.

cc: H. C. McCoan

CONFIDENTIAL

APPENDIX O

Mr. W. J. Hutchins Jan. 31, 1964

F. E. Sturtevant

Monthly Summary of Accomplishments - January 1964

HIGH SPEED AR-15

Very little work done in January on this project. A special light-weight bolt is ready for testing in which the cylinder vent holes can be closed up to study the effect on rate of fire.

COMPENSATORY - AR-15

No work done in January. If grenade capability is not required, other approaches become possible. Sketches have been made and will be evaluated and test models made if the ideas seem practical.

ARMORER'S KIT - AR-15

We are awaiting a decision from Col. Yount as to the group size at which the rifle is considered too inaccurate for use.

DEACTIVATION MEANS - AR-15

The drawings for the deactivated rifle were released January 29th and the parts list on January 30th. All changes have been approved by the Treasury Department. This project is now completed.

BURST CONTROL MECHANISM

The basic ideas have been proven with successful demonstrations. Minor improvements are being worked out for

the various components. When these are finished, new models will be made in both two and three shot.

Work will be started as soon as engineering time is available on another type of burst control which is suitable for two shot burst only. The second design will always fire two shots per burst except in the case of an empty magazine.

HAMMER SPRING - AR-15

Samples have been received. No endurance tests have been run for lack of a mechanical actuator for the AR-15.

EXTRACTOR TESTS - AR-15

The fatigue test mechanism for the AR-15 extractor is now operational. Various metals, shot blasting, and a different book configuration will be tested.

ELECTROLIZE SUBSTITUTE - AR-15

The bolt and bolt carrier have been returned from the Microfin Corp. Salt spray test was good on the bolt but only fair in the bolt carrier. I believe the latter failure was due to difficulty in cleaning the very rough surface of the 4340 bolt carrier material.

INVESTMENT CASTINGS - AR-15

The study of investment castings was completed. The drawings were changed and I believe that all details are now in agreement with the parts as received. This project required approximately four days because of the great detail involvement.

BUTTSTOCK ASSEMBLY - AR-15

A few preliminary tests of crushing and impact strength were made on sample buttstocks. Attended several meetings with Victory Plastics and Colt's personnel regarding

loss of strength resulting from the change to black. Wrote to the Purchasing Department stating that we would accept increased weight if necessary. More recent developments disclosed that a new vendor would make future buttstocks. A consultation with his engineer is scheduled for the near future. When higher mold pressure and possible addition of internal ribs will be discussed.

HIGH SPEED MOVIES - AR-15 BELT FEED

The high speed camera was set up in cooperation with Mr. Roy and several films were made of the belt feed mechanism. These films were developed, edited and assembled into a composite film and included some outdoor pictures made by Mr. Roy.

EJECTION HOLE DRAINAGE - AR-15 BOLT

A drain hole was proposed at the lower end of the ejector hole as a continuation of the present ejector spring hole. Process Department indicated that a radial drain hole at 90° to the present hole would greatly reduce the cost of adding this hole to the automated production fixture now on order. Accordingly, this hole was changed to a radial hole and has been included on the government prints. While six sample bolts are available for test, it is doubtful that any test will be required since the plane of normal failure does not pass near the added hole.

STROBOTAC - GENERAL RADIO COMPANY

A strobotac, flash delay unit and photo-electric trigger, were ordered on a trial basis from the General Radio Company. A hasty test last Saturday indicates this apparatus can be used in a dark room, to study in slow motion, the behavior of the rifle. I believe it will be more useful when used with the Polaroid camera in a dark room. If successful, this apparatus is much easier to prepare for use than the high speed camera.

Like other scientific apparatus, a place is required where this apparatus can be set up and used in private.

COLT'S PATENTS

A list of active Colt's patents was supplied to Mr. Hutchins.

COST REDUCTION - AR-15

A memorandum was written summarizing material and design changes worthy of future consideration.

SEPARATED CASES - .223 AMMO

The problem of separated cases in the firing range was studied. Two rifle chambers were completely checked in every dimension and found to be correct. Samples of ammo which had failed was gathered together and sent to Remington Arms for study. Capt. Smith at Lackland AFB was contacted regarding this problem. He was kind enough to run parallel tests of this same ammo and reported that no trouble was encountered. We have since found a few cases before firing which show a ring mark around the case at approximately the same point at which failure occurs. We are searching for more of these cases which will be transmitted to Remington when found. It is evident that this is a freak occurrence since no recent trouble has been encountered.

BLANK CARTRIDGE DEVICE - AR-15

An early experimental blank cartridge device was reactivated and demonstrated for Colt's and military personnel. Drawings are being up-dated to accept the new flash suppressor and models will be made for the final design in the near future.

BOLT ASSIST - AR-15

A lengthy description of this device was written for use by the patent lawyers.

PA-159

CHAMBER ADAPTER - AR-15

Our experimental GX drawing for the subject part was reviewed and transmitted to Mr. Grove so that a tool engineering drawing can be made and included in the operation sheet procedure for the Army contract.

/s/ F. E. STURTEVANT

FES:roc

COMPANY CONFIDENTIAL

APPENDIX P

Colt's Patent Fire Arms Mfg. Co., Inc.
Hartford Connecticut

ENGINEERING CHANGE ORDER *G-11595*
Date *5-27-64*
Sheet *1 of 1*

To: Process Engineering Department
Attention: *J. Krin*

From: Product Engineering Department
Per: *F. E. Sturtevant*

You are hereby notified of the following engineering change to be applied only in accordance with instructions found in this Order.

ENGINEERING CHANGE DATA

Part No.: *62268*
Part Name: *Plunger*
Model No.: *7,603,223*
Other Parts Affected: ----------
Other Models Affected: ----------
New Revision *2*, Dated *May 26, 1964*
Old Revision *1*, Dated *February 3, 1964*

Engineering Change:

[*Specific Dimensions and Tolerance changes redacted*]

Confidential Information:

This drawing contains confidential information which is the property of Colt's Patent Fire Arms Mfg. Co., Inc., Hartford, Conn., and is furnished on a confidential basis solely to enable recipient to service, maintain and/or inspect products of Colt's Patent Fire Arms Mfg. Co., Inc., and/or to enable recipient to manufacture only for and upon order of Colt's Patent Fire Arms Mfg. Co., Inc.

By retention of this drawing recipient agrees not to use the drawing for any purpose other than as above specifically set forth and further agrees not to disclose to any party any of the information contained in the drawing.

Reason for Change:

To insure interchangeability

Change Effective *At once*

Disposition of stock process: *Work to Revision No. 2*
Disposition of stock in finish stores: *use*
Remarks: *Approved by RTA #23*
Issued by *W. McDonald*
Issued To Production *(2)*; Inspection *(2)*; *McCoan (1)*; *Camillo (1)*; *Biagini (1)*; *Newman (1)*; *T. Warner (1)*

APPENDIX Q

- Synopsis -

Colt's M16A1 Forward Assist Device
(Bolt Closure)

1. Colt's participated in evaluation of a Springfield Armory design Bolt Closure device. Conclusion (by both Colt's and Army Infantry Board tests) - Unacceptable.
2. Colt's initiates its own design. Prototype models to U.S. Government, October 1963.
3. Government tests evaluate the Colt unit as acceptable with minor deficiencies.
4. Colt corrects deficiencies and supplies Government with (25) production-type units for testing.
5. Colt design incorporated in initial U.S. Army production contract DA-11-199-AMC-508.
6. Entire R&D program Colt's funded.
7. U.S. Patent 3,236,155 granted.

APPENDIX R

Feb. 22, 1966 F. E. STURTEVANT 3,236,155

FIREARM HAVING AN AUXILIARY BOLT CLOSURE MECHANISM

Filed July 8, 1964 2 Sheets-Sheet 1

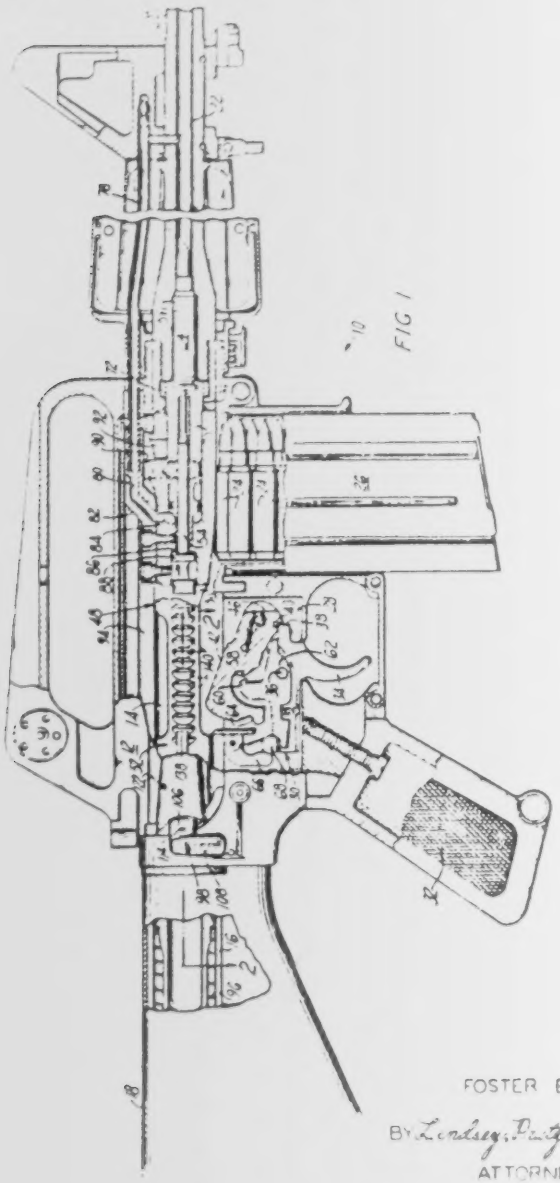

FIG 1

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Feb. 22, 1966 F. E STURTEVANT 3,236,155

FIREARM HAVING AN AUXILIARY BOLT CLOSURE MECHANISM

Filed July 8, 1964 2 Sheets-Sheet 2

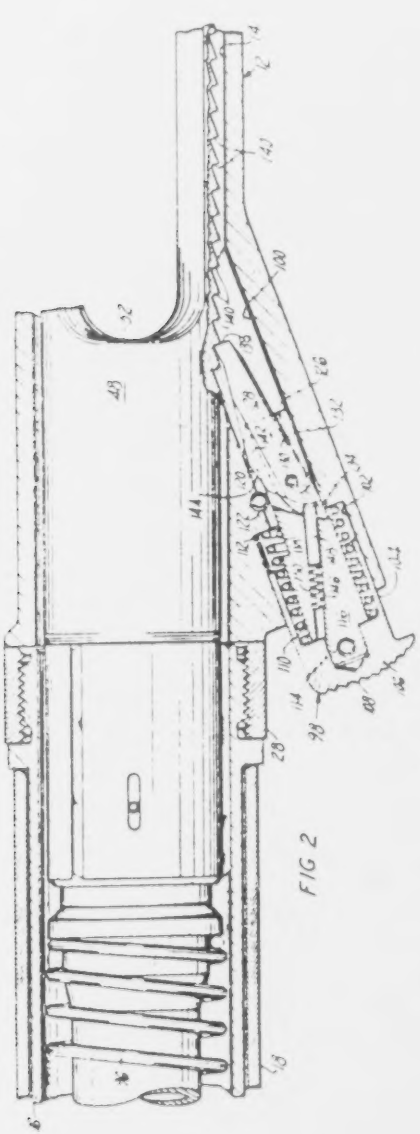

FIG 2

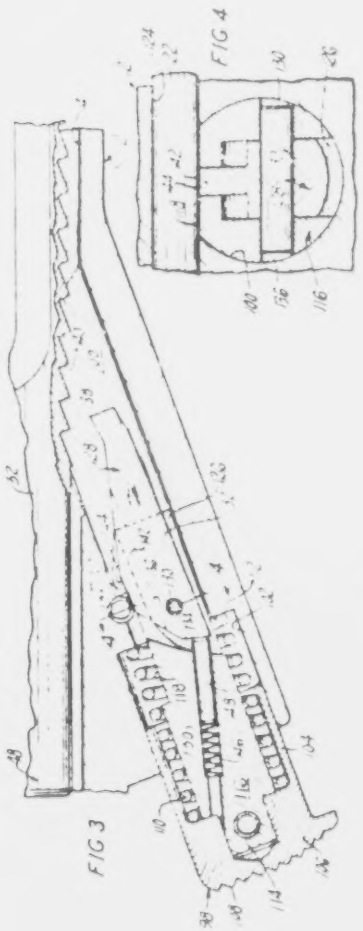

FIG 3

FIG 4

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UNITED STATES PATENT OFFICE 3,236,155
Patented Feb. 22, 1966

FIREARM HAVING AN AUXILIARY BOLT CLOSURE MECHANISM

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Filed July 8, 1964, Ser. No. 381,099
15 Claims. (Cl. 89-199)

The present invention relates to an automatic firearm and more particularly to a new and improved auxiliary bolt closure mechanism useful in automatic firearms of the type having an enclosed reciprocating bolt assembly which must be fully closed in order for tne firearm to fire.

It is an object of the present invention to provide means for insuring the full and positive closure of the bolt assembly of an automatic firearm despite the failure of such assembly to automatically close in the normal fashion.

Another object of the present invention is to provide an auxiliary bolt closure mechanism which contains no external moving component during normal operation of the bolt assembly yet is adapted to be actuated in a facile manner in the event the bolt assembly stalls during its reciprocal movement.

A further object of the invention is to provide an externally actuated auxiliary device for incrementally moving the bolt assembly forwardly into a battery position thereby rapidly and positively remedying a stalled condition and facilitating immediate reuse of the firearm.

A still further object of the present invention is to provide an automatic firearm possessing an auxiliary bolt closure mechanism which not only positively manipulates the bolt assembly into the battery position but is also provided with means for positively preventing interference with the recoil of the bolt assembly.

Still another object of the invention is to provide a novel manually operated bolt closure mechanism for a totally enclosed reciprocating bolt assembly.

Other objects will be in part obvious and in part pointed out more in detail hereinafter.

The invention accordingly consists in the features of construction, combination of elements and arrangement of parts which will be exemplified in the construction hereafter set forehand the scope of the application which will be indicated in the appended claims.

In the drawings:

FIG. 1 is a fragmentary side elevational view partially broken away and partially in section, of a firearm containing the auxiliary bolt closure mechanism of the present invention;

FIG. 2 is an enlarged sectional view taken along the line 2–2 of FIG. 1 and showing the auxiliary bolt closure mechanism in an engaged position;

FIG. 3 is an enlarged sectional view similar to FIG. 2 showing the closure mechanism in a retracted position; and

FIG. 4 is a transverse sectional view taken along the line 4–4 of FIG. 3.

Referring now to the drawings in detail, wherein like referenced characters indicate like parts throughout the several figures, FIG. 1 shows an automatic firearm 10 of the gas-operated type. The firearm 10 comprises a receiver 12 defining in the upper longitudinal portion thereof a chamber 14 for receiving a bolt assembly. The rear of chamber 14 communicates with a receiver extension 16 located in stock 18. Operatively connected forwardly of chamber 14 is a barrel 20 having near the forward end thereof a gas port 22 through which a portion of the expanding gas developed on firing the gun * * * ejection of the spent cartridge shell and subsequent successive chambering of the cartridges 24 located in cartridge magazine 26.

Immediately below longitudinal chamber 14 of receiver 12 and communicating therewith is a second chamber 28 housing the trigger mechanism 30. The receiver further possesses adjacent to the chamber 28 a hand-grip 32 facilitating the manipulation of the trigger mechanism 30.

The trigger mechanism is generally similar in design and operation to the mechanism described in the U.S. Patent No. 3,045,555 issued July 24, 1962, to E. M. Stoner and includes a trigger 34 pivotally mounted on trigger pin 36 and possessing a forward trigger sear 38 which cooperates with the lower notch 40 of the hammer 42 to retain the hammer in a cocked position. Upon pivotal movement rearwardly of the trigger 34, the trigger sear 38 is dislodged from notch 40 permitting the hammer 42 to pivot under the bias of a hammer spring about the pivot pin 46. The hammer swings upwardly into the chamber 14 housing the bolt assembly, generally designated 48, and passes through the bottom longitudinal aperture 50 in the bolt carrier 52 so as to strike the firing pin 54 thereby firing the cartridge 24 located within the firing chamber 56 of the barrel 20. Upon recoil of the bolt assembly 48 the hammer 42 is caused to move rearwardly against the bias of its hammer spring and, while the trigger is pulled, is retained in a cocked position either by the cooperation of intermediate hammer notch 58 and hook sear 60 of disconnector 62 or by automatic hammer notch 64 and automatic sear 66, depending upon the setting of the control cam 68, as more fully described in the aforementioned Stoner patent.

The reciprocating bolt assembly 48 includes a generally cylindrical bolt carrier 52 adapted for nonrotational longitudinal movement within chamber 14 of receiver 12 and a bolt 70 mounted within the carrier 52 for limited longitudinal and rotational movement relative thereto. On the forward end of bolt 70 are provided bolt lugs 72 which cooperate with the inwardly protruding flanges 74 to hold the bolt in the battery position and thereby lock the breech against the pressure of firing.

Upon firing the weapon as described hereinbefore, the bullet passes outwardly through the barrel 20 under the impetus of the expanding powder gases. A portion of these gases upon reaching the gas port 22 pass therethrough and into the gas passage tube 78 connecting the port 22 with the mating port 80 located within the bolt carrier key 82. The mating port 80 connects with an annular chamber 84 defined by the bolt 70 and the bolt carrier 52. As more fully set forth in E. M. Stoner's U.S. Patent No. 2,951,424 issued September 6, 1960, the chamber 84 fills with high-pressure exhaust gas, driving the bolt carrier 52 rearwardly within the chamber 14, and initially causing the annular shoulder 86 of carrier 52 to contact the flange 88 of the firing pin 54 while at the same time, by virtue of the lost motion connection between carrier 52 and bolt 70, causing the bolt cam pin 90 to travel in the helical slot 92 cut in bolt carrier 52. The movement of cam pin 90 within helical slot 92 causes relative rotation between the bolt 70 and the bolt carrier 52, the latter being held against rotation by the cooperation of carrier key 82 with the longitudinal groove 94 of receiver 12.

The rotation of bolt 70 results in the registry of bolt lugs 72 and the slots between the inwardly protruding lugs 74 on the breech end of the barrel thereby permitting rearward movement of the bolt and bolt carrier upon continuing recoil of the carrier. The rearward movement of * * * the compression of recoil spring 96 which upon dissipation of the rearward momentum, acts upon the bolt assembly 48 to return it to the locked battery position. During the recoiling operation the expended cartridge shell is, of course, ejected and a new cartridge is fed from the magazine 26 into the firing chamber 56.

As will be appreciated, it is essential that the bolt 70 be fully closed and locked in order for the gun to fire. If the bolt is moved up to battery position, but is not rotated by the forward movement of the bolt carrier 52 so that the bolt lugs 72 and the depending lugs 74 coact to lock the bolt in the breech, then the firing pin will be

held by the annular shoulder 86 in a retracted, nonactuatable position. Such a stalling of the bolt carrier at some point in its travel with the subsequent failure of the bolt to lock may result from various causes, such as the presence of dirt within the chamber 14 or by a distorted cartridge. It is essential that such field difficulties be quickly remedied so that the operator can positively close the bolt, permitting a quick renewal of the normal operation of the firearm.

According to the present invention, this may be accomplished in a facile manner by actuating the auxiliary, manually operated bolt closure mechanism generally designated 98. The mechanism 98 is slideably received within the generally cylindrical side passage 100 of the receiver 12. The passage 100 extends outwardly and rearwardly from the chamber 14 and in communicative relationship thereto. The passage 100 is shown as being disposed at an angle of approximately 20° to the axis of reciprocation of the bolt assembly 48.

It will be appreciated that no substantial opening should be present on the closed receiver chamber 14 through which foreign matter may enter the interior of the firearm. In the embodiment chosen for illustrative purposes, this is effectuated by providing the passage 100 in receiver 12 with a counterbore 102 at its external end. Slideable within the counterbore 102 is the shank 104 of external actuating knob 106 which is quite close fitting yet is provided with sufficient clearance to prevent binding during its manipulation. The knob 106 additionally exhibits a serrated finger-contact portion 108, best shown in FIG. 1, which provides a firm and sure contact with the mechanism during the actuation thereof.

During normal use of the firearm, the mechanism 98 is retained in a retracted noninterfering position by means of the helical spring 110 which abuts outwardly facing annular shoulder 112 of passage 100 and is maintained in only a slightly compressed condition. Received within the shank of knob 106 as well as within the spring 110 and

fixedly attached to the knob by means of pin **114** is a plunger, generally designated **116**, which constitutes an extension of knob **106** within the passage **100** inwardly beyond the shoulder **112**. As best seen in FIGS. 3 and 4, the plunger **116** is generally cylindrical and possesses a longitudinal recess **118** along one side thereof defining at its forward end a shoulder **120** which cooperates with cross pin **122** to maintain the closure mechanism **98** within the passage **100** against the outward bias of slightly compressed helical spring **110**. The cross pin **122** is maintained in a fixed position within the arcuate slot **124** of receiver **12** and extends into the recess **118** thereby permitting the inward slideable movement of the plunger and knob assembly. The forward end of plunger **116** containing shoulder **120** is partitioned by bifurcating slot **126** which extends rearwardly from the forward end and communicates with recess **118** along a substantial portion of its length. The slot **126** generally conforms to the cross-sectional configuration of pawl **128** which is pivotally mounted within the slot **126** by means of pivot pin **130**.

Pawl **128** comprises a generally rectangular pawl body portion **132** possessing at its rearward extremity a slightly tapering rear surface **134** and a transverse aperture **136** through which extends the pivot pin **130**. As shown, the aperture **136** is generally parallel to rear surface **134**. On the forward end of body portion **132** is a ratchet contacting and actuating foot **138** which cooperates with the longitudinally spaced ratchet teeth **140** located on the side of bolt carrier **52** so as to move the bolt assembly **48** into the battery position. The teeth **140** extend along the length of carrier **52** a sufficient amount so that they are presented to the passage **100** regardless of the position of the carrier **52**. Outstanding from pawl body portion **132** is an integral rib portion **142** possessing a rearwardly tapering cam surface **144** which cooperates with the cross pin **122** to move the foot **138** out of contact with teeth **140** when the bolt closure mechanism **98** is moved into a retracted position under the bias of spring **110**.

Plunger **116** additionally provides an aperture **146** which extends rearwardly from slot **126** and in which is positioned the pawl engaging rod 148 which is biased by compressed spring **150** into intimate physical contact with the rear surface **134** of pawl body portion **132** so as to cause the pawl to pivot about pivot pin **130** when permitted to do so by the movement of the closure mechanism inwardly.

It will be appreciated that the auxiliary bolt closure mechanism **98** generally is maintained in the retracted position during normal operations. However, in the event the bolt carrier becomes stalled the operator merely presses forwardly on the protruding knob **106** causing the entire bolt closure mechanism **98** to move forward against the bias of the helical spring **110**. The foot **138** of pawl **128**, which has been held out of engagement with the bolt carrier by means of cross pin **122** while the mechanism is in the retracted position, is released as the mechanism moves inwardly and, under the pressure of spring **150** acting through rod **148**, pivots to engage the teeth **140** of the bolt carrier **52**. Continued inward pressure on the knob **106** is then transmitted through the mechanism to the bolt assembly thereby forcing the bolt carrier **52** forward so as to place the bolt assembly in the battery position. Since the bolt carrier teeth **140** extend for the full length of the carrier movement, it will be appreciated that engagement therewith by the pawl foot **138** can occur at any position of the bolt carrier travel.

Generally the obstruction to the movement of bolt carrier **52** is rather slight and can be quickly overcome by the afore-described procedure, after which it is possible for the recoil spring **96** to act in its normal manner and force the bolt carrier **52** forwardly into the locked battery position. As will be appreciated, even though the closure mechanism is held in the engaging position, the pawl foot **138** will not interfere with the continued forward movement of the carrier **52** since it is spring-biased by the pawl engaging rod **148**. Consequently, the bolt carrier **52** is capable of moving forward without damage to either the carrier or to the pawl foot **138**.

In the event the initial movement of the closure mechanism **98** fails to overcome the obstruction causing the stall of bolt carrier **52**, the knob **106** may be released causing a rearward movement of the closure mechanism into its retracted position. The knob may then again be pressed forwardly by successive operations to "inch" the bolt mechanism into the locked battery position. It is a further advantage of the present invention that, should the gun be fired when the mechanism **98** is in an engaged position, the rearward movement of bolt carrier **52** during its recoil will cause the cross pin **122** to act against the cam surface **144** moving the foot **138** out of engagement with the bolt carrier teeth **140** thereby permitting the bolt carrier **52** to continue the recoil operation in the normal manner. Additionally the present invention permits visual inspection to ensure that the closure mechanism is retracted.

As can be appreciated from the foregoing description, the present invention provides a manually operated auxiliary closure device associated with an automatic weapon which facilitates the complete and positive closure of a totally enclosed bolt assembly in order to permit the firing of the weapon. This device contains under normal operating conditions no externally moving part which might become fouled with clothing or other objects while the weapon is being fired. More particularly, the mechanism closely fits into the receiver of the weapon thereby maintaining the interior thereof in a condition which is substantially free from foreign matter.

As will be apparent to persons skilled in the art, various modifications and adaptations of the structure above described will become readily apparent without departure from the spirit and scope of the invention, the scope of which is defined in the appended claims.

I claim:

1. In a gas-operated automatic firearm, a receiver having a longitudinal cavity and a passage communicating with the cavity, said passage extending rearwardly at an

acute angle to the longitudinal axis of the cavity; a bolt assembly mounted in said cavity for reciprocable movement between retracted and battery positions, said assembly comprising a bolt carrier; and an auxiliary bolt closure mechanism slideably retained within said passage for movement, said closure mechanism being biased outwardly and comprising a motion-transmitting member resiliently urged into cooperative engagement with said bolt carrier during inward movement of said closure mechanism thereby facilitating movement of said carrier into the battery position.

2. In a gas-operated automatic firearm, a receiver having a longitudinal cavity and a transverse passage communicating with the cavity, said passage extending rearwardly at an acute angle to the longitudinal axis of the cavity; a bolt assembly mounted in said cavity for reciprocable movement between retracted and battery positions, said assembly comprising a bolt carrier having on its outer surface adjacent said passage means for assisting the longitudinal movement thereof within the cavity; and an auxiliary bolt closure mechanism slideably retained within said passage for inward and outward movement, said closure mechanism being biased outwardly and comprising a motion-transmitting member resiliently urged into cooperative engagement with the movement assisting means on said bolt carrier during inward movement of said closure mechanism thereby facilitating movement of said carrier into the battery position.

3. In a gas-operated automatic firearm, a receiver having a longitudinal cavity and a transverse passage communicating with the cavity, said passage extending rearwardly at an acute angle to the longitudinal axis of the cavity; a bolt assembly mounted in said cavity for reciprocable movement between retracted and battery positions, said assembly comprising a bolt carrier having on its outer surface adjacent said passage ratchet means for assisting the longitudinal movement thereof within the cavity; and an auxiliary bolt closure mechanism slideably

retained within said passage for inward and outward movement, said closure mechanism being biased outwardly and comprising a pawl resiliently urged into cooperative engagement with the ratchet means on said bolt carrier during inward movement of said closure mechanism thereby facilitating movement of said carrier into the battery position.

4. In a gas-operated automatic firearm, a receiver having a longitudinal cavity and a transverse passage communicating with the cavity, said passage extending rearwardly at an acute angle to the longitudinal axis of the cavity; a bolt assembly mounted in said cavity for reciprocable movement between retracted and battery positions, said assembly comprising a bolt carrier having adjacent said passage a plurality of longitudinally spaced ratchet teeth for assisting the longitudinal movement thereof within the cavity; and an auxiliary bolt closure mechanism slideably retained within said passage for inward and outward movement, said closure mechanism being biased outwardly and comprising a pivotally mounted pawl urged into engagement with the ratchet teeth of said bolt carrier during inward movement of said closure mechanism thereby facilitating movement of said carrier into the battery position.

5. In an automatic firearm, a receiver having a longitudinal cavity and a transverse side passage communicating with the cavity, said side passage extending outwardly and rearwardly at an acute angle to the cavity; a bolt assembly mounted in said cavity for reciprocable movement between retracted and battery positions; a recoil spring rearwardly of said assembly for urging said assembly into the battery position, said assembly comprising a bolt carrier having along the side adjacent said passage ratchet means for assisting the longitudinal movement thereof with the cavity; and an externally actuated auxiliary bolt closure mechanism slideably retained within said passage for inward and outward movement, said closure assembly being biased outwardly and comprising a

motion-transmitting member urged into cooperative engagement with the ratchet means on said bolt carrier during inward movement of said closure mechanism thereby facilitating movement of said carrier into the battery position.

6. In a gas-operated firearm, a receiver having a longitudinal cavity and a transverse side passage communicating with the cavity, said side passage extending outwardly and rearwardly at an acute angle to the cavity and providing an outwardly facing shoulder intermediate the ends thereof; a bolt assembly mounted in said cavity for reciprocable movement between retracted and battery positions; a recoil spring rearwardly of said assembly adapted to be under compression when said assembly is in the retracted position and to bias said assembly into the battery position, said assembly comprising a bolt carrier having along the side adjacent said passage a plurality of longitudinally spaced ratchet teeth; and an externally actuated auxiliary bolt closure mechanism slideably retained within said passage for inward and outward movement, said closure mechanism comprising a spring seated on the shoulder within the passage of the receiver for outwardly biasing said mechanism, a pivotally mounted pawl resiliently urged into engagement with the ratchet teeth of said bolt carrier during inward movement of said closure mechanism thereby facilitating movement of said carrier into the battery position.

7. In a gas-operated automatic firearm, a receiver having a longitudinal cavity and a generally cylindrical side passage communicating with the cavity, said passage extending outwardly and rearwardly at an acute angle to the cavity and having a counterbore at the outer end to provide an outwardly facing annular shoulder intermediate the ends thereof; a bolt assembly mounted in said cavity for reciprocable movement between retracted and battery positions; a recoil spring rearwardly of said assembly adapted to be under compression when said assembly is in the retracted position and to bias said assembly into

the battery position, said assembly comprising a bolt carrier having along the side adjacent said passage a plurality of longitudinaliy spaced ratchet teeth; and an externally actuated bolt closure mechanism slideably retained within said passage for inward and outward movement and comprising an outwardly biased plunger having a shoulder on a forward bifurcated end thereof, the bifurcating slot passing through said shoulder; a pawl pivotally mounted within the bifurcating slot and having a cam surface adjacent the shoulder of said plunger; pawl actuating means for biasing the pawl into functioning contact with the ratchet teeth on the bolt carrier; and plunger retaining means fixedly positioned in said receiver and cooperating with the shoulder of said plunger to limit outward movement of the mechanism, said retaining means being adapted to operate against said cam surface to move said pawl out of contact with said bolt carrier teeth upon outward movement of said plunger.

8. An auxiliary bolt closure mechanism for use in a gas-operated automatic firearm having a receiver and a bolt assembly mounted within the receiver for movement between retracted and battery positions, said closure mechanism being communicatively and angularly disposed relative to the bolt assembly for slideable inward and outward movement and comprising outwardly biased actuating means adapted for external manipulation, and motion-transmitting means mounted on said actuating means for movement into and out of contact with the bolt assembly whereby the assembly is incrementally urged toward the battery position.

9. An auxiliary bolt closure mechanism for use in a gas-operated automatic firearm having a receiver and a bolt assembly enclosedly mounted within the receiver for movement between retracted and battery positions, said closure mechanism being communicatively disposed at an acute angle relative to the bolt assembly for slideable inward and outward movement and comprising outwardly biased actuating means adapted for external manipulation,

and motion-transmitting means pivotally mounted on said actuating means and having cam means facilitating the biasing thereof into and out of contact with the bolt assembly whereby the assembly is urged by increments into the battery position.

10. An auxiliary bolt closure mechanism for use in a gas-operated firearm having a receiver and a bolt assembly enclosedly mounted within the receiver for movement between retracted and battery positions, said closure mechanism extending angularly outwardly from the bolt assembly and comprising an outwardly biased externally actuated plunger member, and a pawl member pivotally mounted on the plunger member for movement into and out of contact with the bolt assembly whereby the assembly is moved into the battery position.

11. An auxiliary bolt closure mechanism for use in an automatic firearm having a receiver and a bolt assembly enclosedly mounted within the receiver for movement between retracted and battery positions, said closure mechanism extending outwardly and rearwardly from the assembly and comprising an outwardly biased plunger adapted for external manipulation and having means for limiting outward movement thereof; a pawl pivotally mounted on said plunger; and pawl actuating means for biasing the pawl into functioning contact with the bolt assembly, said pawl having cam means for moving the pawl out of contact with said assembly upon outward movement of said plunger.

12. An auxiliary bolt closure mechanism for use in a gas-operated automatic firearm having a receiver and a bolt assembly enclosedly mounted within the receiver for movement between retracted and battery positions, said closure mechanism extending outwardly and rearwardly from the assembly and an outwardly biased plunger adapted for external manipulation and having means limiting outward movement thereof, said plunger being bifurcated at the forward end; a pawl pivotally mounted within the bifurcating slot and having a cam surface adjacent the

edge thereof; and pawl actuating means for biasing the pawl into functioning contact with the bolt assembly, said cam surface adapted to move said pawl out of contact with said assembly upon outward movement of said plunger.

13. A manually operated auxiliary bolt closure mechanism for use in a gas-operated automatic firearm having a receiver and a bolt assembly enclosedly mounted within the receiver for movement between retracted and battery positions, said closure mechanism extending outwardly and rearwardly from the assembly and comprising an outwardly biased plunger having a shoulder on a forward bifurcated end thereof; a pawl pivotally mounted within the bifurcating slot and having a cam surface adjacent said shoulder; pawl actuating means for biasing the pawl into functioning contact with the bolt assembly; and a plunger retaining means cooperating with said shoulder to limit outward movement of the mechanism and adapted to operate against said cam surface to thereby move said pawl out of contact with said assembly upon outward movement of said plunger.

14. An auxiliary bolt closure mechanism for use in a gas-operated automatic firearm having a receiver and a bolt assembly enclosedly mounted within the receiver for movement between retracted and battery positions, said closure mechanism extending outwardly and rearwardly from the assembly and comprising biasing means abutting a portion of the receiver for urging the mechanism outwardly; a plunger having a longitudinal side recess defining a shoulder on a forward bifurcated end thereof, the bifurcating slot communicating with said longitudinal recess and passing through said shoulder; a pawl pivotally mounted within the bifurcating slot and having a cam surface contiguous to said recess; a pawl actuating rod resiliently mounted with the plunger for moving the pawl into contact with the bolt assembly; and a plunger retaining means fixedly positioned in said receiver and extending into said recess, said retaining means cooperating with said shoulder for limiting the outward movement of the

mechanism and with said cam surface to move said pawl out of contact with said assembly upon outward movement of said plunger.

15. A manually operated auxiliary bolt closure mechanism for use in a gas-operated automatic firearm having a receiver and a bolt assembly enclosedly mounted within the receiver for movement between retracted and battery positions, said closure mechanism being substantially within the receiver but extending outwardly and rearwardly from the assembly and comprising an actuating knob projecting from the receiver and having a shank portion slideably received in close interfitting relationship within the receiver; a spring abutting a portion of the receiver and said knob for biasing the mechanism outwardly; a plunger fixedly connected to said knob and having a longitudinal side recess defining a shoulder on a forward bifurcated end thereof for limiting outward movement of the mechanism, the bifurcating slot communicating with said longitudinal recess and passing through said shoulder; a pawl pivotally mounted within the bifurcating slot and having a cam surface contiguous to said recess; a pawl actuating rod resiliently mounted within the plunger for moving the pawl into contact with the bolt assembly; and a plunger retaining means fixedly positioned in said receiver and extending into said recess, said retaining means cooperating with said shoulder for limiting the outward movement of the closure mechanism and with said cam surface to move said pawl out of contact with said assembly upon outward movement of said plunger.

No references cited.

BENJAMIN A. BORCHELT, *Primary Examiner.*

APPENDIX S

15 U.S.C. §1

Trusts, etc., in restraint of trade illegal; penalty

Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the serveral States, or with foreign nations, is declared to be illegal. Every person who shall make any contract or engage in any combination or conspiracy hereby declared to be illegal shall be deemed guilty of a felony, and, on conviction thereof, shall be punished by fine not exceeding one million dollars if a corporation, or, if any other person, one hundred thousand dollars, or by imprisonment not exceeding three years, or by both said punishments, in the discretion of the court.

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15 U.S.C. §2

Monopolizing trade a felony; penalty

Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a felony, and, on conviction thereof, shall be punished by fine not exceeding one million dollars if a corporation, or if any other person, one hundred thousand dollars, or by imprisonment not exceeding three years, or by both said punishments, in the discretion of the court.

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15 U.S.C. §15

Suits by persons injured

(a) Amount of recovery; prejudgment interest

Except as provided in subsection (b) of this section, any person who shall be injured in his business or property by reason of anything forbidden in the antitrust laws may sue therefor in any district court of the United States in the district in which the defendant resides or is found or has an agent, without respect to the amount in controversy, and shall recover threefold the damages by him sustained, and the cost of suit, including a reasonable attorney's fee. The court may award under this section, pursuant to a motion by such person promptly made, simple interest upon actual damages for the period beginning on the date of service of such person's pleading setting forth a claim under the antitrust laws and ending on the date of judgment, or for any shorter period therein, if the court finds that the award of such interest for such period is just in the circumstances. In determining whether an award of interest under this section for any period is just in the circumstances, the court shall consider only—

(1) whether such person or the opposing party, or either party's representative, made motions or asserted claims or defenses so lacking in merit as to show that such party or representative acted intentionally for delay, or otherwise acted in bad faith;

(2) whether, in the course of the action involved, such person or the opposing party, or either party's representative violated any applicable rule, statute, or court order providing for sanctions for dilatory behavior or otherwise providing for expeditious proceedings; and

(3) whether such person or the opposing party, or either party's representative, engaged in conduct primarily for the purpose of delaying the litigation or increasing the cost thereof.

(b) Amount of damages payable to foreign states and instrumental titles of foreign states

(1) Except as provided in paragraph (2), any person who is a foreign state may not recover under subsection (a) of this section an amount in excess of the actual damages sustained by it and the cost of suit, including a reasonable attorney's fee.

(2) Paragraph (1) shall not apply to a foreign state if—

(A) such foreign state would be denied, under section 1605(a)(2) of Title 28 immunity in a case in which the action is based upon a commercial activity, or an act, that is the subject matter of its claim under this section;

(B) such foreign state waives all defenses based upon or arising out of its status as a foreign state, to any claims brought against it in the same action;

(C) such foreign state engages primarily in commercial activities; and

(D) such foreign state does not function, with respect to the commercial activity, or the act, that is the subject matter of its claim under this section as a procurement entity for itself or for another foreign state.

(c) Definitions

For purposes of this section—

(1) the term "commercial activity" shall have the meaning given it in section 1603(d) of Title 28, and

(2) the term "foreign state" shall have the meaning given it in section 1603(a) of Title 28.

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15 U.S.C. §26

Injunctive relief for private parties; exception; costs

Any person, firm, corporation, or association shall be entitled to sue for and have injunctive relief, in any court of the United States having jurisdiction over the parties, against threatened loss or damage by a violation of the antitrust laws, including sections 13, 14, 18, and 19 of this title, when and under the same conditions and principles as injunctive relief against threatened conduct that will cause loss or damage is granted by courts of equity, under the rules governing such proceedings, and upon the execution of proper bond against damages for and injunction improvidently granted and a showing that the danger of irreparable loss or damage is immediate, a preliminary injunction may issue: Provided, That nothing herein contained shall be construed to entitle any person, firm, corporation, or association, except the United States, to bring suit in equity for injunctive relief against any common carrier subject to the provisions of subtitle IV of Title 49, in respect of any matter subject to the regulation, supervision, or other jurisdiction of the Interstate Commerce Commission. In any action under this section in which the plaintiff substantially prevails, the court shall award the cost of the suit, including a reasonable attorney's fee, to such plaintiff.

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35 U.S.C. §112

Specification

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

A claim may be written in independent or, if the nature of the case admits, in independent or multiple dependent form.

Subject to the following paragraph, a claim in dependent form shall contain a reference to a claim previously set forth and then specify a further limitation of the subject matter claimed. A claim in dependent form shall be construed to incorporate by reference all the limitations of the claim to which it refers.

A claim in multiple dependent form shall contain a reference, in the alternative only, to more than one claim previously set forth and then specify a further limitation of the subject matter claimed. A multiple dependent claim shall not serve as a basis for any other multiple dependent claim. A multiple dependent claim shall be construed to incorporate by reference all the limitations of the particular claim in relation to which it is being considered.

An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specifications and equivalents thereof.

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35 U.S.C. §154

Every patent shall contain a short title of the invention and a grant to the patentee, his heirs or assigns, for the term of seventeen years, subject to the payment of fees as provided for in this title, of the right to exclude others from making, using, or selling the invention throughout the United States, referring to the specification for the particulars thereof. A copy of the specification and drawings shall be annexed to the patent and be a part thereof.